SGV
Building a better working world

SyCip Gorres Velayo & Co.
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BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
iPeople, inc.
3rd Floor, Grepalife Building
219 Sen. Gil J. Puyat Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of iPeople, inc. and its subsidiaries (the Group) as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020, included in this SEC Form 17-A and have issued our report thereon dated April 8, 2021. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The schedules listed in the Index to Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Ana Lea C. Bergado

Ana Lea C. Bergado
Partner
CPA Certificate No. 80470
SEC Accreditation No. 0660-AR-4 (Group A),
October 22, 2019, valid until October 21, 2022
Tax Identification No. 102-082-670
BIR Accreditation No. 08-001998-063-2020,
November 27, 2020, valid until November 26, 2023
PTR No. 8534225, January 4, 2021, Makati City

April 8, 2021

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November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
iPeople, inc.
3rd Floor, Grepalife Building
219 Sen. Gil J. Puyat Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of iPeople, inc. and its subsidiaries (the Group) as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020, and have issued our report thereon dated April 8, 2021. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Ana Lea C. Bergado

Ana Lea C. Bergado
Partner
CPA Certificate No. 80470
SEC Accreditation No. 0660-AR-4 (Group A),
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PTR No. 8534225, January 4, 2021, Makati City

April 8, 2021

IPEOPLE, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES

SUPPLEMENTARY SCHEDULES

SCHEDULE II

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-J: SCHEDULES

DECEMBER 31, 2020

Below are the additional information and schedules required by Revised Securities Regulation Code Rule 68. This information is presented for purposes of filing with the SEC and is not required parts of the basic financial statements.

Schedule A. Financial Assets in Equity Securities
As at December 31, 2020, the Group has no financial assets in Equity Securities.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

Below is the schedule of advances to officers and employees of the Group with balances above ₱100,000 as at December 31, 2020:

Name	As at December 31, 2019	Additions	Liquidations/ Collections	As at December 31, 2020
Agapito, Benigno Jr.	₱375,142	₱–	₱89,017	₱286,125
Arenillo, Denise Jordan	322,158	–	80,456	241,702
Austria, Maria Rhodora	212,217	–	74,900	137,317
Camacho, Margarita	240,657	–	86,298	154,359
Caparanga, Alvin	253,500	–	91,000	162,500
Gan, Maria Eloisa	498,103	–	106,736	391,367
Kikuchi, Khristian	223,354	–	75,500	147,854
Lanuza, Dionisia	185,500	–	74,200	111,300
Lopez, Jonathan	352,194	–	73,365	278,829
Lozada, Katrina	128,764	–	–	128,764
Macayan, Jonathan	315,200	–	91,933	223,267
Manuel, Mark Christian	341,467	–	91,933	249,534
Mesina, James Ronald	402,500	–	94,267	308,233
Papas, Aileen Kate A.	455,690	–	92,683	363,007
Quisaot, Concordio	348,033	–	91,933	256,100
Robielos, Rex Aurelius	237,183	–	87,383	149,800
Teodoro, Gloria	266,500	–	91,000	175,500
Tiongco, Danilo R.	231,722	–	92,689	139,033
Uy, Francis Aldrine	300,678	–	92,517	208,161
Villa, Robert Joseph	–	398,720	62,787	335,933
Yap, Maria Elizabeth	529,895	–	101,574	428,321
	₱6,220,457	₱398,720	₱1,742,170	₱4,877,007

These advances pertain to the officers and employees car plan agreements. Such advances are interest-bearing and shall be liquidated on a monthly basis. There were no amounts written off during the year.

Schedule C. Amounts Receivable/Payables from and to Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables and payables with related parties, which are eliminated in the consolidated financial statements as at December 31, 2020:

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of year
Pan Pacific Computer Center, Inc.	₱1,104,410	₱–	₱–	₱1,104,410
Malayan Education System, Inc.	9,567,065	22,393,657	(29,356,233)	2,604,489
Malayan Colleges Laguna, Inc.	2,348,575	14,267,517	(15,201,872)	1,414,220
University of Nueva Caceres	428,253	4,139,145	(4,064,345)	503,053
National Teachers College	–	59,341	(59,341)	–

Schedule D. Long-term debt

As at December 31, 2020, the Group has outstanding long-term debts as follow (in thousands):

Unsecured bank loans	₱380,000
Secured bank loans	1,492,275
	₱1,872,275

Unsecured

The Group, through NTC, entered into a 10-year unsecured term loan facility with a third party local bank for ₱650.00 million to finance its building refurbishment and/or expansion. The principal payments will be made in 28 quarterly payments starting May 2022. As of December 31, 2020, total drawdown from the long-term loan facility amounted to ₱380 million, which are subject to annual interest rate of 4.675% with annual repricing based on higher of 5.5% or the prevailing one year benchmark rate or done rate of a liquid/active security, as agreed by the parties, with the same tenor if benchmark rate is not reflective of market rate, plus interest spread.

The loan is subject to certain covenants including maintaining a maximum debt-to-equity structure ratio of 3:1. As of December 31, 2020, NTC has complied with its covenant obligations, including maintaining the required debt-to-equity ratio. For 2020, interest expense recognized in profit or loss amounted to ₱21.27 million.

Secured

In 2019, the Group, through MCMI, entered into a ten-year secured long-term loan agreement with a third party local bank for ₱1,500.00 million to refinance the construction of MCMI's school buildings and facilities that were initially funded by short-term loans. MCMI made partial drawdowns against this agreement amounting to ₱680.00 million, ₱350.00 million and ₱470.00 million in January, June and July 2019, respectively. The loans were subject to prevailing borrower's rate, plus a minimum spread of 0.50% per annum, but in no case lower than 4% per annum, subject to quarterly repricing. MCMI shall repay the loan in 20 equal quarterly installments to start at the end of 21st quarter from the initial drawdown date. The loans were secured by the land and related improvements owned by MCMI with carrying value of ₱2,376.76 million as of December 31, 2019 and suretyship of MESI. The loans were subject to certain positive and negative covenants such as the requirement for MESI to maintain its debt service cover ratio of at least 1.0 at all times and its debt-to-equity ratio of at least 75:25 starting on the third year of the loan reckoned from initial drawdown date or January 2022.

MCMI incurred debt issue cost amounting to ₱11.25 million which was being amortized over the loan term of 10 years using the effective interest method. The amortization of debt issue cost amounting to ₱2.4 million was recorded as part of interest expense.

Interest expense, including amortization of debt issue cost, amounted to ₱63.58 million.

Outstanding balance of long-term loans as of December 31, 2020 as follow:

	Amount
Principal	₱1,500,000
Unamortized debt issue cost	(7,725)
	₱1,492,275

Schedule E. Indebtedness to Related Parties (Long Term Loans from Related Companies)
As at December 31, 2020, the Group has no outstanding long-term debt from/to related parties.

Schedule F. Guarantees of Securities of Other Issuers
As at December 31, 2020, the Group does not guarantee any securities.

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	2,000,000,000	1,044,262,925	-	885,453,681	168,775	158,640,469

SCHEDULE I

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-D: RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION*

DECEMBER 31, 2020

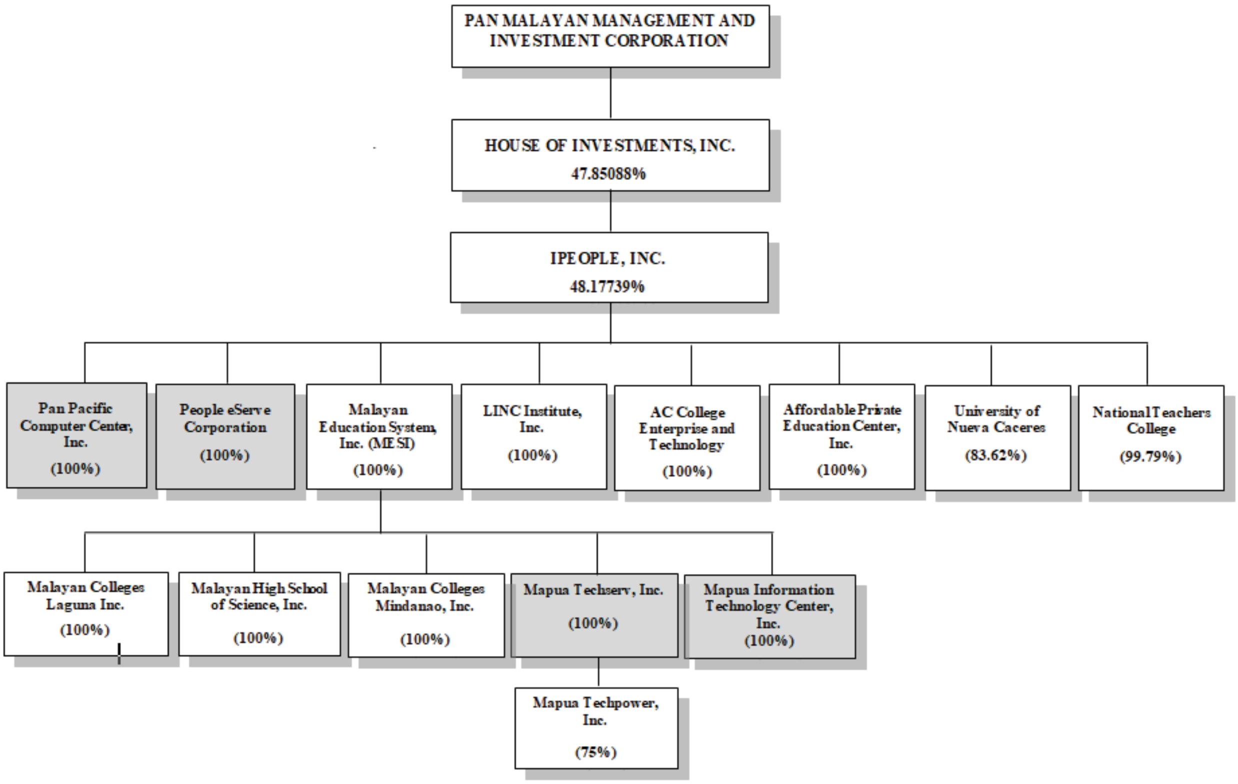
Items	Amount	
Unappropriated retained earnings, *as adjusted to available for distribution, beginning*		**₱1,057,752**
Add: Net income actually earned/realized during the period		
Net income (loss) during the period closed to retained earnings	**(₱984)**	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	–	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	–	
Unrealized actuarial gain	–	
Fair value adjustment (M2M gains)	–	
Fair value adjustment of Investment Property resulting to gain	–	
Adjustment due to deviation from PFRS/GAAP-gain	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–	
Sub-total	–	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	–	
Adjustments due to deviation from PFRS/GAAP - loss	–	
Loss on fair value adjustment of investment property (after tax)	–	
Sub-total	–	
Net income actually realized during the period		**(984)**
Add (Less):		
Dividends declaration during the year	**(73,248)**	
Appropriations of retained earnings during the period	–	
Reversal of appropriations	–	
Effects of appropriations	–	
Effects of prior period adjustments	–	
Treasury shares	**(0.21)**	
Transfer to retained earnings of fair value reserve of equity instruments	**(880)**	
		(74,128)
Total Retained Earnings, End Available for Dividend		**₱982,640**

**Based on December 31, 2020 Parent Company Supplementary Schedule.*

IPEOPLE, INC. AND SUBSIDIARIES
GROUP STRUCTURE
DECEMBER 31, 2020

Group Structure

Below is a map showing the relationship between and among the Group and its ultimate parent company and subsidiaries as at December 31, 2020:



IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-E: SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2020 AND 2019

Below are the financial ratios that are relevant to the Group's for the years ended December 31:

Financial ratios		**2020**	2019
Current ratio *Indicates the Group's ability to pay short-term obligation*	Current Assets / Current Liabilities	**1.16:1**	0.67:1
Acid-test ratio *Indicates the Group's ability to use its quick or near cash assets to pay current liabilities immediately*	Current Assets – Prepaid expenses / Current Liabilities	**1.04:1**	0.62:1
Solvency Ratio *Shows how likely a Group will be to continue meeting its debt obligations*	Net Income+Depreciation / Total Liabilities	**0.14:1**	0.10:1
Debt-to-equity ratio *Measures the Group's leverage*	Total Debt / Equity	**0.51:1**	0.69:1
Asset to Equity Ratio *Shows how the Group's leverage (debt) was used to finance the firm*	Total Assets / Equity	**1.50:1**	1.67:1
Interest Rate Coverage *Shows how easily a Group can pay interest on outstanding debt*	EBIT* / Interest Expense Excluding Interest Expense on Lease Liabilities	**3.67:1**	4.42:1
Return on Average Stockholders' Equity *Reflects how much the Group's has earned on the funds invested by the stockholders*	Net Income / Average Equity	**2.39%**	3.40%
Net profit margin *Reflect how much net income or profit is generated as percentage of revenue*	Net Profit Margin / Revenue	**8.03%**	9.15%
Return on Assets *Measure the ability to utilize the Group's assets to create profits*	Net Income / Total Assets	**1.54%**	1.68%

**Earnings before interest and taxes (EBIT)*

ANNEX "A"

IPEOPLE, INC. AND SUBSIDIARIES

SUSTAINABILITY REPORT

Annex A: Reporting Template

Contextual Information

Company Details	
Name of Organization	**iPeople, Inc.**
Location of Headquarters	3rd Floor Grepalife Building, Sen. Gil J. Puyat Avenue, Makati City
Location of Operations	With schools across Metro Manila, Calabarzon, Bicol Region, and Mindanao
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Report includes information from the following: 1. Malayan Education System, Inc. (Operating under the name “Mapua University”) – 1 school with 2 campuses (Mapua) 2. Malayan Colleges Laguna (A Mapua School), Inc. (MCL) 3. Malayan Colleges Mindanao (A Mapua School), Inc. 4. Malayan High School of Science, Inc. (MHSS) 5. Affordable Private Education Center, Inc. (Operating Under the Name “APEC Schools”) – 1 school with 23 branches (APEC) 6. University of Nueva Caceres (UNC) 7. National Teachers College (NTC)
Business Model, including Primary Activities, Brands, Products, and Services	**iPeople, Inc.** (IPO) provides quality and accessible education to students from kindergarten to post-graduate across all income segments. IPO through its subsidiary schools, aims to promote research and innovation that addresses the concerns of communities and solve problems of industries. IPO also aims to become one of the best in the fields of Science, Technology, Engineering, and Mathematics (STEM) and leverage on the strength of its subsidiary schools in STEM, Outcomes-Based Education (OBE), distance learning, and cost-effective EdTech. https://ipeople.com.ph/home/our-company/corporate-profile/
Reporting Period	January 1 to December 31, 2020
Highest Ranking Person responsible for this report	**Denise Jordan P. Arenillo** IPO Compliance and Sustainability Officer

If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics

Trainings and workshops were conducted in the previous year, and attended by the iPeople ("IPO") Senior Management, on identifying material topics, while reviewing the role of sustainability within the company. It is a process where sustainability issues were communicated with the top executives in the company and widened perspectives to determine performance, driven not just by financial metrics, but also non-financial aspects. The materiality principle IPO employed are as follows:

1. Understanding the Sustainability Context: This step encouraged the Company to think outside financial aspects and allow a framework driven by sustainability to guide the discussions on how their core business can contribute to society.

2. Identifying material topics: An initial list of material topics was identified by the IPO Senior Management and further validated through group discussions with sustainability point persons per school, including middle management, school heads, stakeholder touch points (to grasp stakeholder perspectives), and data handlers and verifiers whose functions are highly related to the theme of each group. In finalizing the material topics, the Company used the guide questions in the memorandum:

   (a) Is it a key capital/risk/opportunity?
   (b) Does our key business activities impact it?
   (c) Does our supply chain contribute significant impacts?
   (d) Does our product/service contribute significant impacts to the topic?
   (e) Is there a trend that will make the topic material in the future?

3. Defining Performance and Management Approach: Once the list of material topics were identified, the Company gathered metrics to measure business performance under the guidance of the GRI reporting standards, a globally recognized sustainability reporting tool. To further enhance this, management approaches were created to better improve and monitor performance against the set metrics.

The UN Sustainable Development Goals (SDGs) were also used as a guideline for identifying the Company's societal, environmental, and economic impact and value.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	3,259,426,817.05	PhP
Direct economic value retained	455,022,885.90	PhP
Direct economic value distributed:	2,804,403,931.14	PhP
a. Employee wages and benefits	1,259,324,479.48	PhP
b. Payments to suppliers, other operating costs	858,295,771.11	Php
c. Payments to Providers of capital; including dividends given to stockholders and interest payments to loan providers	275,528,115.59	PhP
d. Payments to government	186,917,809.72	PhP
e. Investments to community (e.g. donations, CSR)	224,337,755.24	PhP

Direct Economic Value

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO's economic impacts are a result of its business activities, and the scale of the impact will increase or decrease according to the scale of IPO's business. IPO's economic performance was affected in 2020 by the COVID pandemic, particularly in terms of student enrollment and the way schools delivered their courses and services.

In March 2020, the Philippine government through the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF-EID), placed the National Capital Region (NCR) and majority of the country under Enhanced Community Quarantine (ECQ). This resulted in the suspension of face-to-face classes and in-campus activities, and rendered majority of the employees working remotely.

To avoid disruption of classes and operations, IPO schools, particularly Mapua, MCL and MCM, immediately shifted to online classes with synchronous or asynchronous mode of delivery, using their Learning Management Systems, digital tools and online resources. Even prior to the COVID pandemic, the LMS and digital tools were already being used and deployed by the Mapua schools during typhoons and floods. The other IPO schools (NTC, UNC and APEC) also shifted to remote delivery using available digital tools and online resources during the COVID pandemic. Operations also shifted to online processes particularly for delivery of student services such as library services, guidance counselling and medical consultation.

Affected stakeholders in the economic aspect are students, faculty and staff, suppliers, local communities, and government. In 2020, IPO generated ₱3,242,679,529.68 of direct economic impact, of which 83% was distributed among suppliers, employees, providers of capital, government, and community investments/donations.

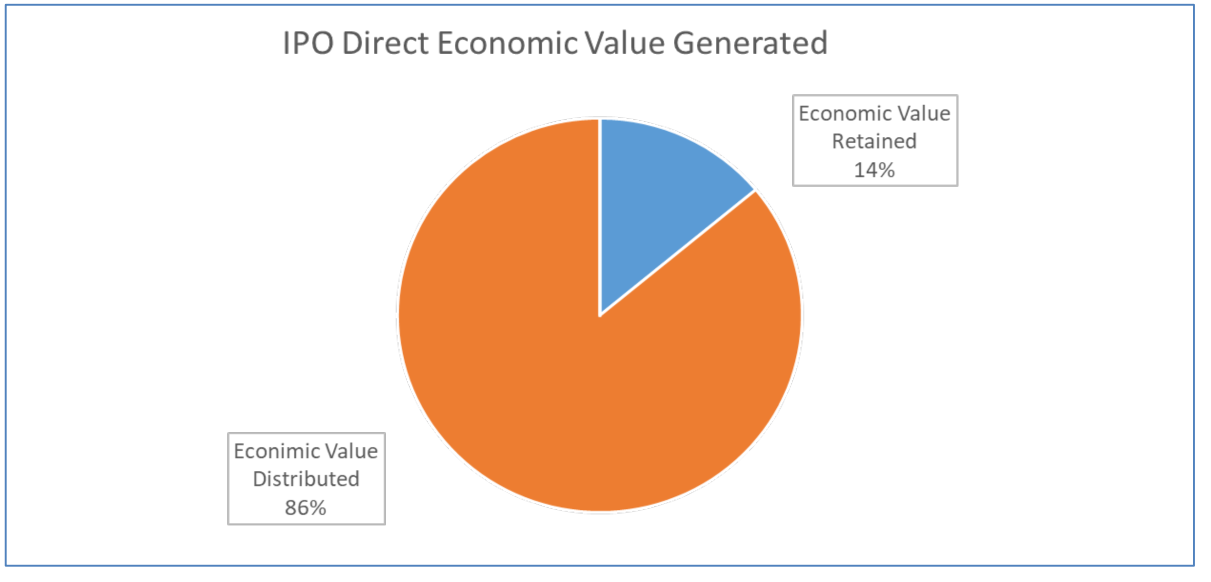


Figure 1 IPO Direct Economic Value Generated. IPO distributed 83% of direct economic value generated and retained 17%.

On the direct economic value distributed, majority of the value was distributed to employees as wages and benefits (47%) and as payment to suppliers and operating cost (32%).

IPO's dedication to providing quality and accessible education was even highlighted during the time of the COVID pandemic with the distribution of 8% of its direct economic value generated in the form of scholarships tuition discounts, and corporate social responsibility (CSR) projects increased from 5.5% in the previous year. CSR projects include providing technical expertise and assistance to the national and local governments and communities, and community outreach projects, and donations to the COVID 19 response. These projects involved the schools, employees, and students.

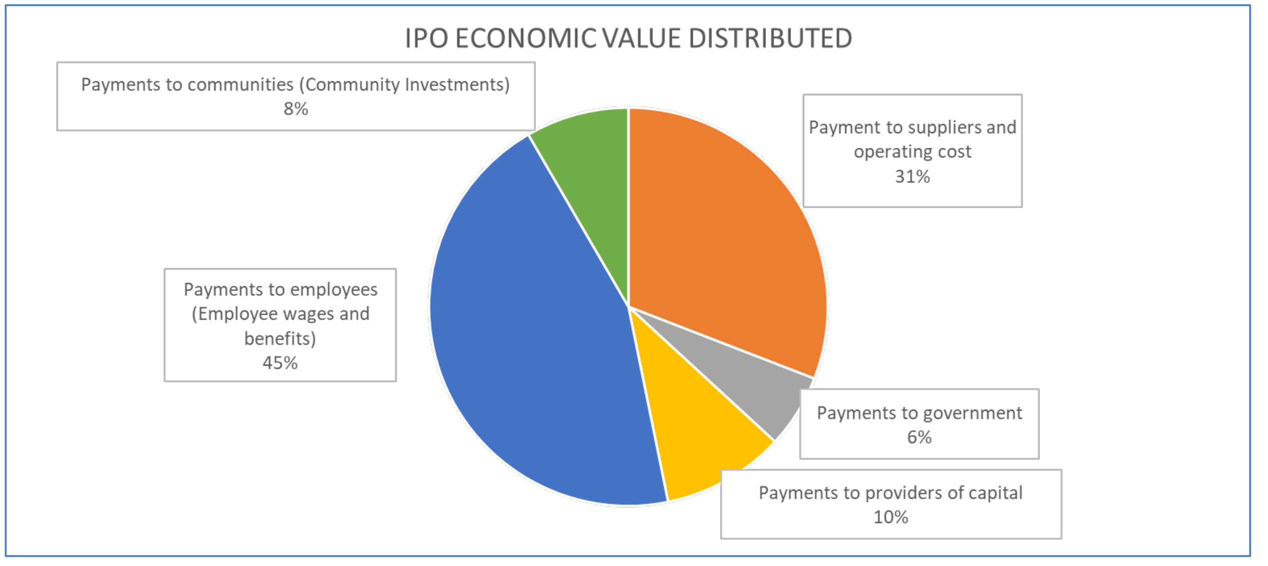


Figure 1 IPO Direct Economic Value Distributed. Majority of the value (47%) was distributed to employees as wages and benefits, followed by operating cost (32%).

In 2020, 48,410 students were enrolled in IPO schools, from Elementary (K+12) to post-graduate. Sixty - one percent (61%) of the students also belonged to economic segments E, D, and C2, wherein their monthly household income ranged from below ₱10,000 to ₱64,999.

To increase enrollment of lower income and high-performing students (academic) especially during the time of the COVID pandemic, IPO provided ₱131,431,943.02 in scholarships to 4,144 students. IPO also assisted students in applying for government and privately-funded scholarships. To ensure that students will continue their schooling despite the COVID-19 pandemic, IPO schools also provided discounts and rebates on tuition and fees, reasonable payment and installment arrangements, and implemented other policies to help students in the payment of their tuition fees.

IPO's achievements in graduating students that are ready for higher education and/or the workforce can also be seen in the graduates' employment rate despite the COVID pandemic. In 2020, IPO schools produced 9,411 graduates in senior high school, undergraduate, and post-graduate. Graduation ceremonies were conducted online due to government restrictions imposed which prohibited mass gatherings including the conduct of (physical) graduation ceremonies during the COVID 19 pandemic. 63% received job offers within 120 days of graduation (data from NTC and APEC Schools). These graduates eventually become productive members of society. Aside from their individual benefit of earning a higher salary versus a non-graduate, graduates contribute more to economies through direct spending and taxes.

Aside from scholarships, providing affordable quality education that is accessible to the segments with lower income levels is also embedded in the business model of some IPO schools. APEC Schools, established in 2012, is a chain of private high schools offering affordable education from Grades 7 to 12, with the goal of preparing its graduates for immediate employment and/or to pursue higher education. It has managed to do this even while offering a tuition fee rate that is relatively lower compared to other private high schools. In 2020, APEC Schools enrolled 10,340 students across all campuses, with 34.39%% of them belonging to segments D and E (with monthly household income of ₱24,999 and below). The schools also provided ₱ ₱4,012,632.50 in scholarships (does not include discounts, e.g. employee benefit, family discount, etc.).

At the holding company level, IPO identified risks, mostly related to the COVID pandemic which are financial in nature, as well as those on health and safety of IPO schools' employees and students, and will also have direct impact to its direct economic performance. The COVID pandemic had direct economic effect since it resulted in the suspension of face to face classes, disrupted day-to-day operations, limited the mobility of schools' workforce, affected the schools' ability to optimize revenue generation, and increased schools' operational costs, particularly expenses for procuring digital tools, learning management systems, online facilities and resources.

It must be noted that most of the IPO schools are located in NCR, which for the majority of 2020 was under the General Community Quarantine (GCQ), where face-to-face classes for Basic Education and Higher Education are suspended. This resulted in the shift to remote/online learning for all IPO schools. Most of the IPO schools immediately shifted to online classes, particularly for Mapua, MCL, MCM and MHSS since they have been using the Blackboard Learning Management System even prior to the COVID-19 pandemic. NTC, UNC and APEC also utilized digital tools, online facilities and online resources to deliver courses remotely.

Executive management takes an active role overseeing the business operations of IPO schools. Management oversight is conducted through various meetings such as the regular IPO weekly Operations meeting which discusses current regulatory updates on the COVID pandemic as well as operational issues, and the monthly IPO Management Committee (Mancom) meetings. These meetings were conducted in addition to the various management meetings held at the school level to address issues and regularly assess the school's operations and performance and address the COVID pandemic. Discussion topics in 2020 include regulatory updates on the COVID pandemic, business developments, financial, subsidiary schools' operations and performance, governance, and regulatory compliance.

Implementation of the IPO Enterprise Risk Management Framework is carried out by the IPO Risk Team, which consists of Risk Officers from the schools in coordination with various units in the schools. The Risk Team is overseen by the IPO Chief Risk Officer (CRO). The IPO Sustainability Team, headed by the IPO Sustainability Officer, coordinates, supports and provides necessary feedback on sustainability related issues and risks to the IPO Risk Team. IPO Internal Audit continues to provide valuable input to risk management through their regular audits. Risk related concerns are discussed during the quarterly Board Risk Oversight Committee (BROC) meetings. For a more detailed discussion on risks faced by IPO particularly on the effects of the COVID-19 pandemic, please refer to the Risk Management Section of the 2020 IPO Annual Report (Form 17A).

For 2020, IPO and all schools issued protocols and procedures to manage each particular type of risk, particularly the health and safety risks due to the COVID pandemic as well as economic risks brought about by suspension of face to face classes, limitations on mobility of the workforce and low enrollment. To minimize the risk during the COVID pandemic, IPO schools have implemented their health and safety protocols to manage, prevent and control the health and safety risks based on the minimum standards provided under IATF, DOH and CHED regulations.

In particular, Mapúa pioneered, tested and instituted the use online facilities such as its learning management system, the Cardinal Edge (powered by Blackboard), which enabled the school to conduct synchronous (real-time online classes) and asynchronous delivery of courses which has been subsequently adopted by the IPO schools. Other IPO schools also conducted online classes by the use of online tools and facilities that approximate a learning management system. This enabled IPO schools to continue classes with minimal disruption during the COVID pandemic.

In order to manage the economic risks brought about by the COVID pandemic (i.e. low enrollment, health and safety concerns), IPO schools have intensified their online marketing campaigns and re-organized their marketing teams in order to come up with effective strategies to attract more students and to effectively cascade health and safety measures implemented by the schools. The schools upgraded their online facilities and obtained online resources. New online program offerings, fully online degree programs (for Mapua and MCL), certificate courses (Coursera), scholarships and discounts were likewise offered. IPO schools also coordinated with Smart and Globe to provide discounts and special rates for data plans for students and employees for online learning/ remote work.

Fully online undergraduate degree programs were also offered in 2020. Mapua and MCL were given authority by CHED to offer fully online undergraduate courses, in addition to the fully online postgraduate degree courses previously offered. Mapua, MCL and MCM also implemented fully online admission and examination, and the use of e-books and online resources instead of traditional school textbooks for all undergraduate and Senior High School students through subscriptions to Wiley and Cengage. Such technologies are also currently being adopted by other IPO schools in addition to printing and delivery on modules for students for APEC, UNC and NTC. IPO schools likewise invested in subscription and use of online videoconferencing facilities such as Zoom, MS Teams, BB Collaborate, etc., and various digital tools and online learning resources (Coursera, Linkedin Learning) to facilitate and/or supplement online learning.

IPO schools also converted manual processes to online processes, shifted to alternative work arrangements, video-conferencing for meetings and online facilities were used to transact business and to ensure operations are not hampered during the COVID pandemic. Online support services were also implemented such as online medical consultation and counselling were provided for employees and students, and constant monitoring for COVID cases employees and students was also conducted.

Discussion on Opportunities

IPO and its subsidiary schools are currently looking for more opportunities to expand, offering more fully online BS programs, intensified and efficient use of other online and remote learning, and expansion of current programs offered, and mitigation of the effects of the COVID 19 pandemic.

Climate-related risks and opportunities

Although currently, climate-related risks are already being discussed by IPO's Board Risk Oversight Committee (BROC) and the IPO Sustainability Team, IPO does not yet have a complete working plan for addressing climate-related risks to the group. The Company is putting together the system to understand its vulnerabilities at different climate change scenarios to be able to fully disclosure on this. Due to the challenges posed by the current COVID pandemic, IPO will begin work on the plan for climate related risks after the COVID pandemic, and possibly be able to disclose in 2022.

Governance – Disclose the organization's governance around climate-related risks and opportunities

1) Describe the board's oversight of climate-related risks and opportunities

IPO has a Board Risk Oversight Committee (BROC), an extension of the full Board of Directors, which meets every quarter to discuss key risks and opportunities of the company. One of the BROC's main roles is to review management's effectiveness in managing risks. The BROC also provides direction and guidance on how the company will not only respond to risks, but also take advantage of opportunities. From 2021 onwards, monitoring efforts towards meeting goals set forth in the to-be-developed Environmental Impact Reduction Plan (EIRP) will be communicated and evaluated by the BROC.

Risks and opportunities related to climate change is one topic in these meetings, and its effect to operations and strategy are discussed. Typhoons and floods have become more frequent. Such phenomena impact employee safety and well-being. IPO has policies and procedures in place to protect its employees.

2) Describe management's role in assessing and managing climate- related risks and opportunities

Assessment of climate risks is led by IPO Sustainability and Risk Management through the IPO Sustainability Team under the IPO Sustainability Officer and the IPO Risk Team under the IPO CRO. Currently, risks identified are those that relate to natural occurrences such as flood, typhoons, pandemics and earthquakes. For 2021, IPO Sustainability and Risk Management will present plans for adoption by the Board that would ensure that climate-related risks, in addition to natural calamities and pandemics, are adequately identified and addressed.

Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material

1) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term

Performance targets for climate change risk are currently under evaluation by IPO Sustainability Team and Risk Management. These will be part of the EIRP.

2) Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy and financial planning.

IPO acknowledges the existence of climate change and its intensifying effect. The company has set aside sufficient amount of funds for managing the effects of this risk to the company. As awareness of climate change risk increases throughout IPO, additional risks and opportunities identified and required funding (if necessary) will be integrated onto the operations of the company.

3) Describe the resilience of the organization's strategy, taking into consideration different climate- related scenarios including a 2°C or lower scenario

IPO's experience during 2020 COVID pandemic has shown that continuing the conduct of classes online can be done on a large scale, effectively and efficiently. Nonetheless, IPO will continue to assess other vulnerabilities at different climate change scenarios.

The Company is committed to identify and understand its vulnerabilities at different climate change scenarios. Due to the challenges posed by the current COVID pandemic, IPO will begin work on the plan for climate related risks after the COVID pandemic, and possibly be able to disclose in 2022.

Risk Management – Disclose how the organization identifies, assesses, and manages climate-related risks

1) Describe the organization's processes for identifying and assessing climate- related risk

The company has a Risk Management Council composed of IPO top management. It meets every quarter to discuss the top risks and opportunities to the company and strategies needed to manage such risks. All risk-related concerns are presented to the BROC. Recommendations by the BROC are implemented by management, the IPO Risk Team, and overseen by the CRO. The IPO Sustainability Team, headed by the IPO Sustainability Officer, coordinates, supports and assists the IPO Risk Team in implementation of sustainability related recommendations. For 2021, IPO top risks will incorporate climate change risk strategies, mitigation measures, and opportunities. In addition, the IPO Sustainability Team will coordinate the IPO Risk Team and the IPO CRO in initiating climate risk management.

2) Describe the organization's processes for managing climate- related risks

Managing climate-related risks will be led by IPO Sustainability Team in coordination with the IPO Risk Team and the IPO CRO. Risk identification and management strategies are formulated at this level, then elevated to the RMC, and overseen by the BROC.

3) Describe how processes for identifying, assessing, and managing climate- related risks are

integrated into the organization's overall risk management

Identification and assessment of climate change risks is led by IPO Sustainability Team, the IPO Risk Team and the IPO CRO, supported by the RMC, overseen by the BROC. IPO's current Risk Management process will be updated to incorporate climate-related risks. The Company believes climate change risk is an integral part of the business and just like traditional risks, they must be prudently managed.

Metrics and Targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

1) Disclose the metrics used by the organization to assess climate- related risks and opportunities in line with its strategy and risk management process

From 2021 onwards, the scope of climate change risk will be expanded to include the need for IPO to make a commitment in reducing the impact of its operations on the environment. The Company will decide on the metrics that will be used to measure climate change impact and incorporate into its EIRP.

2) Describe the targets used by the organization to manage climate- related risks and opportunities and performance against targets

From 2021 onwards, IPO will commit to doing its part in limiting a global rise in temperature to under 2°C by 2030. IPO will develop strategies aimed at reducing the environmental impact of its operations, specifically those that would limit a rise in global temperatures by 2°C. Using data collected from 2019, IPO will commit to reducing its environmental impact by consistently reducing GHG emissions, materials consumption, and waste generation.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers[1]	97	%

1 "Local suppliers" were defined as suppliers with operations in the Philippines.

Procurement Practices
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Aside from providing accessible high-quality education to Filipinos, IPO further contributes to nation-building by purchasing from local suppliers when possible. Risks related to procurement include rush orders (and thus the risk of not getting the best price due to time constraints) and lack of suppliers for what operations need.

At the YGC Group level, all suppliers are vetted and accredited. As of 2020, APEC Schools, UNC, and NTC supplier and accreditation policies are still in the process of evaluating possible integration into YGC procurement.

With 97% procurement spend on local suppliers, IPO directly impacts its suppliers and its schools (as the end-users of the purchased goods and services). Prices for repeat items are agreed upon beforehand with suppliers to prevent price increases due to rush orders. For schools not yet enrolled into the YGC Group, there is coordination with the Procurement Departments of other schools in order to increase the pool of potential suppliers.

Discussion on Opportunities

While the preference to purchase from local suppliers when possible is being practiced, there is no formal policy nor target metric for this. A formal policy and target metric is currently under consideration. Developing SME suppliers that employ PWDs and other vulnerable group to provide them access to economic opportunities may also be considered. In order to standardize procurement across all IPO schools, IPO plans to integrate the procurement policies of all schools into the YGC Group.

Anti-corruption

Training on Anti-Corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to[1]	57%	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to[2]	63%	%
Percentage of directors and management that have received anti-corruption training[3]	23%	%
Percentage of employees that have received anti-corruption training[4]	1%	%

Only the Mapua Schools (Mapua, MCL, MCM and MHSS) have communicated the anti-corruption practices to all their employees (100%). For UNC, the policies were communicated to only 31% of their employees.

[2] Based on Mapua,MCL, MCM, MHSS and IPO parent only .

[3] Based on Mapua and IPO parent only. Only Mapua and IPO parent have data on the directors who received anti- corruption.

[4] Based on UNC only (no other school or entity has disclosed data on employee anti-corruption training).

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

Anti-Corruption
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO treats corruption as a serious issue, as the Company abides by the highest ethical standards and legal principles. Pursuant to this, IPO implements strict anti-corruption protocols and procedures that cover all employees, from officers to rank-and-file employees.

Any incident of corruption within IPO's ranks or operations has serious implications and risks on the Company's operations and reputation, and opens the Company to possible legal consequences. As IPO works within the education sector, damage to reputation is of particular importance since it will also affect reputation and the ability of the subsidiary schools to attract students.

IPO follows the highest ethical and legal standards set by its parent company, House of Investments (HI), and the Yuchengco Group of Companies (YGC). Among the policies issued and enforced in IPO are the following which are found in the IPO website:

- YGC Code of Business Conduct and Ethics: https://ipeople.com.ph/wp-content/uploads/2018/08/YGC-Code-of-Business-Conduct-Ethics.pdf
- HI Related Party Transactions: https://ipeople.com.ph/wp-content/uploads/2018/09/IPO-Policy-on-Related-Party-Transactions.pdf
- HI Conflict of Interest: https://ipeople.com.ph/wp-content/uploads/2018/08/CODE-OF-BUSINESS-CONDUCT-AND-ETHICS.pdf
- HI Insider Trading: https://ipeople.com.ph/wp-content/uploads/2018/08/iPeople-Audit-and-Related-Party-Transactions-Charter-Revised-1.pdf
- HI Whistleblowing Policy: https://ipeople.com.ph/wp-content/uploads/2018/08/IPEOPLE-WHISTLE-BLOWER-POLICY-AND-RECEIVING-GIFTS.pdf

The above-mentioned policies cover all IPO employees, as well as consultants, contractors, and subcontractors (e.g. Housekeeping and Security personnel) working in the Company's premises. Employees are required to re-familiarize themselves with the policies and sign commitments that they read and understand the policies.

IPO's Revised Manual on Corporate Governance also states that each officer and employee holds a position of trust. Thus, officers and employees shall avoid situations where their personal interest is in conflict or appears to be in conflict with the interest of the Company or its clients. More details on provisions of said Manual can be found in the Company's website: https://ipeople.com.ph/wp-content/uploads/2018/09/2020-Revised-IPO-Manual-on-Corporate-Governance.pdf

Suppliers must also abide by the Supplier Code of Conduct. For IPO parent and the Mapua schools, supplier accreditation is done at the YGC Group level. APEC Schools, NTC, and UNC have their own supplier accreditation policies and procedures.

For termination of contracts with suppliers on account of corruption, an internal investigation is conducted by the school's Administration, which includes the Legal Department and Human Resources (if employees are involved). The usual requirements of due process are followed, such as notice and opportunity to be heard, before actual termination.

Discussion on Opportunities

By looking at the extent to which IPO schools have disseminated and trained the Company's stakeholders on anti-corruption, as well as the extent to which these are also carried out in the operating schools, there is much opportunity for anti-corruption procedures to be implemented in the Company.

As stated in the YGC Code of Business Ethics, "YGC member-companies needing stricter or more extensive guidelines applicable to their particular industry or business line should create and maintain their own specific business codes, but the latter should be suppletory and must not permit more lenient standards or in any way be inconsistent with this Code." IPO may pursue crafting a version of this Code that is more tailor-fit to an academic setting. Moreover, the Company will be stricter in communicating anti-corruption policies and procedures and ensure 100% coverage for employees and business partners for the next report.

ENVIRONMENT

Resource Management

2020 Energy consumption within the organization

Disclosure	Quantity	Unit	Quantity	Units
Energy consumption (renewable sources)	0	kwh	0	GJ
Energy consumption (gasoline)	0	Liters	0	GJ
Energy consumption (LPG)	0	m^3	0	GJ
Energy consumption (diesel)	18,783.87	Liters	717.54	GJ
Energy consumption (electricity)	4,535,915.83	kWh	16,329.30	GJ

Reference for gigajoules conversion: Biomass Energy Data Book which refers to GREET, The Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation Model, GREET 1.8d.1, developed by Argonne National Laboratory, Argonne, IL, released August 26, 2010.

There was a significant recorded energy reduction in electricity and gasoline consumption, and slight increase in diesel consumption in 2020, as seen in the Table below:

2019 vs 2020 Energy Consumption

Disclosure	2019 Quantity (liters)	2020 Quantity (liters)	Increase/ Decrease	% Change
Energy consumption (renewable sources)	0	0	0	
Energy consumption (gasoline)	1,475.00	0	100%	
Energy consumption (LPG)	0	0	0	
Energy consumption (diesel)	16,924.83	18,783.87	1841.04*	11%
Energy consumption (electricity)	13,003,679	4,535,915.83	(8,467,763.17) **	(65%)

*Slight increase in diesel consumption is due to shift from gasoline to diesel for company vehicles.

** Significant Decrease in energy consumption due to suspension of face to face classes from March 2020.

Energy consumption and reduction
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO's school operations are dependent on a consistent source of energy. Without electricity, the classrooms and equipment will not run. Fuel is used for the Company's service vehicles and for the backup generators. Energy consumption impacts the students, faculty, and staff present in the schools.

Increased energy consumption means increased costs for the Company. The schools have strict implementation of preventive maintenance for facilities and equipment, replacement of LED lights from fluorescent units, replacement of non-inverter air conditioning units to inverter-type, as well as behavioral approaches such as checking and shutting off all electrical equipment when not in use. Environmental programs were established by Mapua to reduce the consumption of electricity and in line with its ISO 14001:2015 Certification.

There were significant energy reductions for 2020 due to suspension of face to face classes and in-campus activities due to the COVID 19 pandemic.

Discussion on Opportunities

IPO is still in the process of integrating management approaches and identifying opportunities. However, individually, the subsidiary schools have already started to implement energy reduction/saving policies such as using more energy efficient lights and appliances (LED lights, inverter appliances); implementing energy conservation policies where lights and appliances are turned off when there are no classes or activities and will continue to implement these on a wider scale to further reduce energy consumption.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	331,810.38	Cubic meters
Water consumption	258,313.76	Cubic meters
Water recycled and reused	12,313.84	Cubic meters

Water consumption

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Water is a necessity for IPO and its subsidiary schools' operations and its students, faculty, employees. The main risk associated with water withdrawal and consumption is water shortage. Although this was not experienced in 2020 due to lower water consumption due to the COVID pandemic, even with low water levels in Angat and Ipo Dams due to the lack of rain, water supply in Metro Manila was sufficient. For schools, water consumption was significantly reduced mainly due to suspension of face to face classes and limited onsite operations from March 2020.

Nonetheless, even without any water shortage in 2020, the IPO schools continue to implement various programs and activities to reduce water use such as reducing watering of plants, and quickly fixing leaks or other defects. Water reduction initiatives such as regular preventive maintenance, installation of low-flow fixtures, and usage of rainwater collection systems were already in place. Both Mapua and MCM collect rainwater for use such as cleaning and watering plants.

Discussion on Opportunities

IPO is still in the process of integrating approaches and identifying opportunities across all subsidiary schools. However, individually, the schools already implemented several initiatives designed to conserve water (i.e. collection of rainwater for watering plants, immediate repair of leaks). These initiatives may be further enhanced and improved to help in the water conservation efforts of the company.

Materials used by the organization

Disclosure	Material	Quantity	Units
Materials used by weight or volume			
• renewable	Paper	9,569.51	reams
• non-renewable	n.a	0	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services		0	%

Materials consumption
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

As IPO has several educational institutions under its fold, the most significant material that the Company consumes is paper. Paper is used in all aspects of the schools' operations: from application, admissions, enrollment, teaching, recording of grades, student services, to contracts and administrative work. Employees, faculty, students, suppliers, contractors and academic partners all use paper in a considerable amount.

In 2020, IPO consumed 9,569.51 reams of paper which is a drastic reduction from 14,654 reams consumed in 2019 due to the effects of suspension of face to face classes resulting in the online or remote delivery of classes, which significantly decreased paper consumption for IPO. In particular, IPO schools implemented online application and examination for prospective students, fully online degree programs, online classes and examinations to lessen paper consumption, and the use of e-books instead of regular textbooks. Paperless transactions (i.e. online filing of leave for employees, online enrollment, and submission of reports on Blackboard for students) were also implemented. Implementation of online delivery of classes and online processes resulted in reduction in paper consumption.

Though renewable, the Company also recognizes that the process of making paper has considerable environmental impact if it is not sustainably sourced. With this in mind, the individual schools continue to implemented various programs designed to reduce paper consumption.

Discussion on Opportunities

There is an opportunity to ensure that the paper used by the Company is sustainably sourced. IPO is also looking for ways to (1) integrate paper reduction initiatives in its processes, (2) provide more programs and processes that are less paper- and material-intensive, and (3) replicate and improve current programs and practices among the subsidiary schools that are designed to reduce paper consumption.

Ecosystems and biodiversity

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	#
Habitats protected or restored	None	ha
IUCN Red List species and national conservation list species with habitats in areas affected by operations	None	

Ecosystems and biodiversity
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

This topic is not material to IPO as the Company does not have operations in or adjacent to protected areas or areas of high biodiversity value.

However, the schools still participate in environmental-related CSR activities, such as helping safeguard protected areas. Mapua regularly conducts native tree-planting activities and takes care of the trees already planted in a protected site in Rizal as part of its CSR activities.

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions[1]	95	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions[2]	3,230.5	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	0	Tonnes CO2e

1 Scope 1 emissions calculated using Greenhouse Gas Protocol calculation tools: https://ghgprotocol.org/calculation-tools
2 Scope 2 emissions calculated using Grid Emissions Factors (GEFs) provided by the Department of Energy (DOE): https://www.doe.gov.ph/electric-power/2015-2017-national-grid-emission-factor-ngef

GHG Emissions
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Greenhouse gases (GHGs) are responsible for anthropogenic climate change, and climate change will have a severe impact on IPO's areas of operations through stronger and more frequent weather disturbances, changes in rainfall patterns, flooding, increasing surface temperature, and the like. Therefore, monitoring and controlling the Company's GHG emissions is also an important contribution to nation-building.

The Company's GHG emissions are dependent on the type and amount of energy used. Majority of the Company's GHG emissions are Scope 2 due to the extensive use of electricity in operations.

The schools have strict implementation of preventive maintenance for facilities and equipment, replacement of LED lights from fluorescent units, replacement of non-inverter air conditioning units to inverter-type, as well as behavioral approaches such as checking and shutting off all electrical equipment when not in use. Environmental programs were established by Mapua to reduce the consumption of electricity and in line with of its ISO 14001:2015 Certification.

Discussion on Opportunities

The Company is still in the process of integrating approaches and identifying opportunities across all its subsidiaries.

Air Pollutants

Disclosure	Quantity	Units
NO_x	Not applicable	kg
SO_x	Not applicable	kg
Persistent organic pollutants (POPs)	Not applicable	kg
Volatile organic compounds (VOCs)	Not applicable	kg
Hazardous air pollutants (HAPs)	Not applicable	kg
Particulate matter (PM)	Not applicable	kg

Air pollution
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO potential sources of air pollutants are standby generator sets. As these are for standby only, they are only used if grid power is unavailable. All generators requiring Permit to Operate (PTO) are compliant to the PTO's conditions, including NOx and CO emissions. Compliance is met through emissions testing and quarterly submission of the Self-Monitoring Report (SMR) to DENR. Thus, air pollution is not a material topic for the Company.

Discussion on Opportunities
IPO is still in the process of integrating approaches and identifying opportunities across all schools. However, individually, the subsidiary schools such as Mapua, MCL, MCM and NTC through research and innovation can help find solutions to reduce air pollution.

Solid and Hazardous Wastes
Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	74,769.14	kg
Reusable	0	kg
Recyclable	18,946.67	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	55,822.47	kg

Solid waste
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Solid waste is produced from discarded school and office materials, as well as wastes from the kitchens and cafeterias. Solid waste is a risk to both human health and the environment as a whole. Improper disposal of solid waste can lead to the spread of diseases and the release of harmful substances into the environment. It is also violation of R.A. No. 9003 and will pose regulatory risks and serve as a poor example to the Company's stakeholders, especially to the students. It will also have an impact on aesthetics and cleanliness of the schools.

The waste generated by IPO comes from the thousands of students, faculty, staff, and visitors who use the school facilities. However, due to the COVID pandemic in 2020, resulting in the suspension of face to face classes and limited onsite operations in the IPO schools' campuses, the amount of solid waste generated was significantly reduced.

Even with limited onsite operations during the COVID pandemic, solid waste management in the schools is practiced through consistent reminders on SWM, waste segregation at source, recycling programs, waste reduction programs (e.g. promotion of Bring Your Own containers/cups/utensils in order to reduce single-use plastic), and having a Materials Recovery Facility (MRF) in each school.

Solid waste disposal is done by DENR-accredited waste haulers and disposed at accredited landfills.

Discussion on Opportunities

IPO is still in the process of integrating approaches and identifying opportunities across all schools. However, each subsidiary school may explore ways to further reduce or find alternative uses for its solid waste.

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	2,792.97	kg
Total weight of hazardous waste transported	2,792.97	kg

Hazardous Waste
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Hazardous waste poses a serious risk to human health and safety and the environment as a whole. Risks include accidental spills, deliberate releases into the environment, improper storage, and improper disposal. These risks, if unmanaged, may lead to injuries, potential fatalities, severe pollution of the environment, and potential death of flora and fauna. It also opens the Company to legal repercussions.

Hazardous wastes are a serious health and safety concern. As such, all regulations regarding hazardous waste handling, storage, transport, and treatment/disposal are observed. Majority of the hazardous wastes produced by the schools are chemical waste from the laboratories. Students who work with chemicals in their laboratory classes (prior to the suspension of face to face classes due to the COVID pandemic in March 2020) are taught proper laboratory safety techniques. They are also not allowed to work without proper supervision and safety equipment, such as lab gowns and goggles. Laboratory assistants are licensed chemists to ensure that they know how to safely handle hazardous wastes. Appropriate personal protective equipment (PPE) are provided.

The wastes are stored in a secured, onsite hazardous waste storage room. Treatment/disposal is done via DENR-accredited hazardous waste haulers and treaters. Records are kept via the Certificate of Treatment provided by these treaters.

Discussion on Opportunities

Current protocols, procedures, and technologies used may also be assessed to see if there are ways to improve the school's processes as to avoid or minimize the generation of hazardous waste.

Effluents

Disclosure	Quantity	Units
Total volume of water discharges[1]	73,497	Cubic meters
Percent of wastewater recycled[2]	16.8%	%

1 Data from MCM, NTC, and UNC only
2 Only MCM recycles its wastewater

Effluents
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Improper wastewater discharge has a negative effect on the environment through pollution, increased sedimentation, and potentially spreading diseases. It also opens IPO to legal repercussions.

All of the schools are either connected to a centralized sewage treatment plant (STP), connected to its own septic tank, or operates its own STP. This is in compliance with DENR requirements on wastewater discharge.

MCM is the only school within IPO that operates its own STP. The STP has a Discharge Permit, and wastewater parameters are monitored and complied with in accordance to the permit requirements. This is accomplished through regular monitoring and preventive maintenance. MCM uses the treated wastewater for watering the landscape.

The rest of the schools are connected to the centralized sewage treatment plants (i.e Manila Water or Maynilad, etc.).

Discussion on Opportunities

IPO is still in the process of integrating approaches and identifying opportunities across all schools. However, individually, the subsidiary schools may explore ways to reuse treated water. MCM may explore the possibility of double-piping so that the treated wastewater can be used for other purposes, such as flushing toilets.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

Environmental Compliance
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO strives to comply with all environmental laws applicable to the Company's operations. Any non-compliance has regulatory risk, resulting in fines and/or sanctions which could disrupt the schools' operations and/or classes. The Company did not receive any fines or sanctions for the reporting period.

The company ensures that all subsidiary schools comply with applicable environmental laws. Most of the schools are required to have their own Pollution Control Officers who are tasked to closely monitor their respective school's compliance.

Discussion on Opportunities

No opportunities were identified during this reporting period.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[1]	2433	#
a. Number of female employees	1082	#
b. Number of male employees	1351	#
Attrition rate[2]	8.99%	rate
Ratio of lowest paid employee against minimum wage	1.05 : 1	ratio

1 Disclosure includes direct hires (computed as permanent employees +temporary employees +new hires – turnover for 2020)
2 Attrition rate is computed as (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year. May also be considered as Labor Turnover.

Consolidated employee benefits

List of Benefits	Y/N	% coverage to female employees	% of female employees who availed for the year	% coverage to male employees	% of male employees who availed for the year
SSS	Y	75%	68%	45%	40%
PhilHealth	Y	75%	68%	32%	30%
Pag-ibig	Y	75%	68%	37%	39%
Parental leaves[1]	Y	34%	34%	14%	34%
Vacation leaves[1]	Y	63%	60%	88%	85%
Sick leaves[1]	Y	63%	60%	62%	62%
Medical benefits (aside from PhilHealth)	Y	64%	59%	38%	38%
Housing assistance (aside from Pag-ibig)	N	0%	0%	0%	0%

List of Benefits	Y/N	% coverage to female employees	% of female employees who availed for the year	% coverage to male employees	% of male employees who availed for the year
Retirement fund (aside from SSS)[2]	Y	15%	9%	1%	1%
Further education support[3]	Y	17%	17%	2%	1%
Company stock options	N	0%	0%	0%	0%
Telecommuting[4]	Y	63%	54%	83%	83%
Flexible Working Hours[5]	Y	37%	36%	65%	63%

"Coverage" was defined as the proportion of employees who are entitled to receive that benefit.
"Availed" was defined as the proportion of covered employees who used the benefit. Benefits discussed are available to Permanent employees
1 Parental, vacation, and sick leaves are provided upon regularization
2 Offered by Mapua schools (MESI, MCL, MCM, MHSS), NTC, and UNC. Not offered by IPO parent company and APEC Schools.
3 Offered by MESI, MCL, MCM, NTC, and UNC. Not offered by iPeople parent company, MHSS, and APEC
4 Offered by all IPO schools due to the COVID pandemic
5 Offered by all IPO schools on a limited scale due to the COVID pandemic

Employee data and benefits
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

As a nature of its business, IPO needs highly-educated and competent faculty in order to provide the best education to its students and establish its reputation of providing quality and accessible education. Risks include delays in hiring qualified personnel and high personnel turnover. If teaching positions are left unfilled, this may result in operational disruptions (as some subjects may not be offered), and burnout of existing faculty (due to taking additional load to fill the gaps).

Faculty members are vital to the schools' operations. IPO subsidiary schools address the risk of losing good faculty by offering competitive salaries; providing benefits which are comparable to the other schools and above the minimum set by law; opportunities for training and development and for further study is given; research opportunities and incentives for research publications; and support for local and international paper presentations. Children of employees also receive discounts if enrolled in IPO schools. IPO also invests in a company culture that is nurturing and supportive.

IPO and its subsidiary schools experience high employee turnover, especially in the APEC Schools. This is because the APEC Schools offer basic education and teachers are poached by public schools. To address this, APEC invests in the training of its people, including building training capacities internally so they are not dependent on external trainers. By quickly upskilling new hires, they are able to make up the gaps left by more experienced teachers.

In 2020, the COVID pandemic resulted in the reduction of personnel for the IPO schools, since some of the processes were digitized, classes were done remotely/online or converted to online processes. As a result, some job positions became redundant or obsolete. The reduction was effected either through a redundancy program or retirement of employees.

Discussion on Opportunities

The Company is still in the process of integrating approaches and identifying opportunities across all schools. However, individually, the subsidiary schools are exploring ways to attract competent and distinguished faculty and evaluate the current employee salaries benefits to ensure that they are still competitive and at par with industry standards.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees[1]	138,417.00	hours
a. Female employees	53,152	hours
b. Male employees	85,165	hours
Average training hours provided to employees[1]	56.89	hours/employee
a. Female employees	63.04	hours/employee
b. Male employees	49.12	hours/employee

1 Includes both permanent and temporary employees

Employee training and development
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Aside from supporting further education, IPO invests in its people through continuous in-house and external training to promote career and professional growth. Without this continued investment, IPO risks high employee attrition, operational disruptions, low quality of education provided to students, and loss of Company reputation.

IPO schools have regular assessment programs to assess the needs of their teaching and non-teaching employees. They also provide opportunities for training, certifications, and attendance in seminars and conferences to upgrade their skills. Faculty members are given opportunities for further study and research; incentives for publication; and support for paper presentations both local and international. Most of the training conducted for faculty and staff were in relation to the shift to online delivery on classes and services. Schools also have strong in-house training programs with CPD credits (APEC Schools) and in-house training for employees (Mapua). All schools have training facilities in various forms. Majority of the training in 2020 was conducted in relation to the shift to online or remote delivery of courses, including orientation and training on the use digital tools and online processes. Most of the training for 2020 was conducted online due to COVID pandemic.

Discussion on Opportunities

IPO and its subsidiary schools are constantly reviewing best practices and processes, leveraging on the YGC and AC connections, to effectively identify and improve career gaps reviews and designing more effective training programs for employees.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	20.86	%
Number of consultations conducted with employees concerning employee-related policies	As needed	#

Employee training and development
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Within IPO, 20.86 % of employees are covered by two separate Collective Bargaining Units (unions) and are covered by two separate Collective Bargaining Agreements (CBAs). They are members of the Faculty Association of Mapua Institute of Technology (FAMIT) [faculty union] and Mapua Institute of Technology Labor Union (MITLU) [non-teaching employees' union]. Mapua is the only school with unions. The unions represent all permanent employees of Mapua University, except for the confidential permanent employees and the Deans of the Schools. CBAs providing for employee benefits and other terms are effective for a period of three to five years. Financial items in the CBA are negotiated after three (3) years, while non-financial or political items are negotiated every five (5) years.

Risks due to negative relations with the union include effect on operations (work stoppage or strike); financial risk (effect on enrollment, productivity), and reputation (loss of confidence in the company by its stakeholders. Unresolved issues with the union may lead to unfair labor practice (ULP), which may be grounds for filing administrative (labor), civil, or criminal cases.

Proactively engaging with the union through informal dialogues and regular Labor Management Council (LMC) meetings and the adherence to transparent and frequent communication under CBA processes reduces the probability of employer-employee dispute. Through engaging and negotiating in good faith, the company and the union are able to execute agreements that are fair and equitable to all concerned.

Discussion on Opportunities

To ensure that there is a fair and transparent resolution of all union-related issues, Mapua holds the regular LMC sessions every 2 months or whenever there is a relevant issue which needs to be resolved. LMC sessions may also be used as avenues to eventually agree on the policies that would be beneficial to both management and the employees and to ensure that good relations between the union and the company is maintained.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce[1]	55.53%	%
% of male workers in the workforce[1]	44.47%	%
Number of employees from indigenous communities and/or vulnerable sector*	24	#

*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).
1 Includes both Permanent and Temporary employees

Diversity and equal opportunity
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO implements policies that provide equal opportunity to all employees regardless of sex, gender identity, race, or religion. This is evident in hiring faculty members and employees where such are not considered as factors in hiring.

At present, a number of employees are solo parents and thus belong to the vulnerable sector. These members of the vulnerable sector are given the benefits and consideration due to them in accordance with law and existing company policies.

Such activities for solo parents and adult learners include online lectures and trainings conducted in partner communities of Mapua and UNC, as stated in the table below:

SCHOOL	ADULT EDUCATION/TRAINING
Mapua University	Basic Electrical Circuits
	PC Troubleshooting and Networking
	Python App Development
	Micro Video Lectures for ALEAP
	Basic Welding Workshop
UNC	Project Oragon - A project that focuses on literacy, arts & livelihood

IPO ’s CSR projects on diversity and equal opportunity cater to women and children. Education and support is given to women, to encourage them to have gainful employment or alternative means of livelihood to augment their family’s income. Majority of IPO ’s CSR projects also focuses on child education. This is because if young members of the vulnerable sectors are supported through education early on in their lives, the probability of finishing school and seeking gainful employment increases.

Some of these projects on women education include the UNC project “Crafted to Protect: Woman’s Touch” which was conducted during the COVID pandemic in UNC’s partner communities, as seen in the table below:

SCHOOL	WOMEN EDUCATION/SUPPORT
UNC	Crafted to Protect: Woman's Touch. This project provided an opportunity for women sewers in the community to have an additional sources of income this time of pandemic. The cloth face masks were distributed to front liners of the UNC's adopted barangays and employees.

Other projects focused on child education which were conducted by Mapua for partner communities in Pandacan, Manila through modules and micro-video lectures to supplement classroom subjects, such as those mentioned in the table below:

SCHOOL	CHILD EDUCATION
Mapua	MATHINIK
	English Made Easy
	Exploring Singaporean Mathematics
	Art, Art Baby
	Mathang-Isip
	Letralino (smooth drive to our future)
	Literacy and Talent Program for Children
	Pagbasa at Pagintindi para sa Kinabukasan
	VocabuStory
	Glow Slime (The Science of Slime)
	Matematika Sa Pandacan Tungo Sa Magandang Kinabukasan
	MATHikayat
	Back To Your Roots
	MATHALINO
	Pangunahing Kaalaman, Kailangan ng Kabataan
	Explore Beyond Stories
	Mga Alaala ni Bonifacio
	LEARN-ingning

Discussion on Opportunities

IPO is currently evaluating its policies and practices to strengthen its commitment to provide equal opportunity to all, and look into possibly working with its partners to provide employment and other opportunities for the vulnerable sector.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	3,781,884	Man-hours
No. of work-related injuries	186	#
· Employees	16	#
· Students	170	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	24	#

Occupational Health and Safety
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO considers the health and safety of its students, faculty, and staff as a top priority. Risks include unsafe facilities, lack of accessible healthcare in times of emergency, and lack of knowledge on proper safety procedures and what to do in times of emergency – all of which lead to potential loss of human life and reputation, as well as regulatory penalties.

Standard policies and procedures govern responses to health and safety incidents. For 2020, IPO schools issued their respective Health and Safety Protocols based on IATF, CHED, DOH and DTI regulations on prevention and control of COVID-19, and ensured that such protocols were implemented across all the IPO schools. Health and safety reminders and bulletins on COVID 19 are also regularly communicated school-wide through postings in their websites, emails, and social media.

Safety drills are also conducted regularly, however for 2020, the only scheduled drills during the months of January and February were conducted due to the COVID pandemic. First aid training is also given to both employees and students. Policies and emergency procedures are in place and may be readily implemented in case of natural disasters such as floods, fires, earthquakes, and other situations such as bomb threats and pandemic events (i.e. COVID pandemic).

In addition, as a minimum health standard each school has a clinic staffed with healthcare providers to address injuries or sickness that occur on-campus. During the 1st part of 2020 (January and February 2020), when face to face laboratory classes were allowed, students who work with chemicals in the laboratories were oriented with proper laboratory safety procedures. They were also not allowed to work without proper supervision and safety equipment, such as lab gowns and goggles. Certified and trained laboratory assistants were on hand to assist then and ensure the safe handling of chemicals.

Discussion on Opportunities

IPO is the process of evaluating its health and safety protocols to ensure that such protocols cover all circumstances that may affect the health and safety of its employees and students, particularly in the event of calamities, natural disasters, and pandemic events. This includes the possibility of having regular structural audits to monitor and ensure the structural health of school buildings and other structures within the schools' campuses, and regular review and audit of the IPO schools health and safety protocols which cover pandemic events such as the COVID pandemic.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	Not explicitly stated in company policy but done as a matter of practice
Child labor	N	Not explicitly stated in company policy but done as a matter of practice
Human Rights	Y	The Employee Manuals of each school and IPO Parent

Labor laws and human rights
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO strictly observes human rights laws, particularly those against forced labor and child labor. While forced labor and child labor are not explicitly addressed in company policy, it is addressed as a matter of practice as the Company complies with all relevant national and local laws in the areas where it operates in. Risks for non-compliance of labor laws include regulatory penalties, loss of reputation for the Company, and even civil and criminal penalties.

As a matter of policy, IPO schools do not tolerate bullying or harassment of any kind. The schools have strict anti-bullying policies for students. These policies are specifically included in their student manuals, in compliance with existing laws against bullying. These policies also provide for the instances covered and the procedure for handling cases of bullying, including intervention, remedial measures, and penalties in case of violation.

IPO and its subsidiary schools also have strict sexual harassment policies that are incorporated in their respective employee manuals. The policies include the circumstances which constitute sexual harassment, the process for filing complaints, conduct of investigation and hearings, and the penalty for violation of the policies.

Seminars and orientations are also conducted to ensure that employees and students are aware of the policies and to make sure that they comply with the provisions of the manuals.

Discussion on Opportunities

The Company is still in the process of integrating approaches and identifying opportunities across all schools. However, individually, the subsidiary schools are evaluating their current policies to update them and ensure that these policies comply with new laws and issuances.

Supply Chain Management

Supply chain management is performed at the YGC Group level. All vendors are screened and vetted, and purchases adhere to procurement policies, procedures and guidelines. The YGC Group has a supplier accreditation policy.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	Not explicitly mentioned in the Supplier Accreditation Policy, but potential suppliers must submit copies of relevant valid environmental permits as part of the Supplier Document Checklist required for accreditation.
Forced labor	N	Not explicitly mentioned in the Supplier Accreditation Policy, but it is implicit due to suppliers being required to comply with all laws.
Child labor	N	Not explicitly mentioned in the Supplier Accreditation Policy, but it is implicit due to suppliers being required to comply with all laws.
Human rights	N	Not explicitly mentioned in the Supplier Accreditation Policy, but it is implicit due to suppliers being required to comply with all laws.
Bribery and corruption	Y	Code of Ethics for Suppliers, section on Bribes, Kickbacks, and Gifts from Suppliers

For IPO parent and all Mapua Schools (MESI, MCL, MHSS and MCM) the accreditation of suppliers in handled by the YGC Group. The other schools (NTC, APEC Schools, and UNC) have their own supplier accreditation process.

Supply chain management
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO schools' operations require large amounts of supplies and outsourced personnel. Oftentimes in the supply chain, the end-users (such as IPO) are more visible to the public compared to their suppliers. Thus, any non-compliance or negative perception of IPO suppliers may result in reputational risks for the Company, as well as possible regulatory non-compliance.

Each vendor undergoes a strict vetting and accreditation process. As part of the accreditation process, they are required to submit valid proof of compliance with all applicable regulations, such as business permit, DOLE clearance, and environmental permits. During the course of a contract with a service provider (e.g. janitorial services), their progress billing payment will not be released without proof of remittance of SSS, Philhealth, and Pag-ibig remittances for their employees deployed in YGC companies.

Discussion on Opportunities

YGC Group procurement will study the potential inclusion of ESG Policies in the accreditation questionnaire for suppliers to declare. This may be required from particular suppliers if necessary.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Operation of schools (K-12, undergraduate, post-graduate)	Luzon, Mindanao	The poor (Class D and E) as part of NSTP Adoption of Communities	No	None	None

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: NOT APPLICABLE

Certificates	Quantity	Units
FPIC process is still undergoing	Not Applicable	#
CP secured	Not Applicable	#

Significant impacts on local communities
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

As hubs for thousands of students, faculty, and staff, IPO schools have significant impacts on the local communities around the school. The most obvious positive impact is the increased number of businesses around the schools that cater to the needs of the students (e.g. eateries, photocopying services, dormitories, etc.), that then contribute to the economic development of the area. A potential negative impact is the increased traffic around the school areas due to increased travel around the area to service students.

IPO works with the local government to develop traffic routing schemes to lessen the schools' impacts on the traffic situation, and work with them to ensure that traffic around the schools do not hamper or impede the flow of traffic. For 2020, the schools coordinated with the LGUs on the implementation of health and safety protocols mandated under IATF, DOH and CHED guidelines during the COVID pandemic

IPO, through its subsidiary schools, also offered online platforms to deliver classes, distance learning modules, and fully online programs so as to diversify its offerings and to lessen the risk and burden of students to go to school especially during the COVID pandemic. Currently, Mapua, MCL, and MCM have (Learning Management Systems (LMS) that enable them to deliver online classes on a school-wide level in case students are unable to go to school for face-to-face classes. Fully online degree programs are also offered, as well as online application, examinations enrollment and the use of e-books. Other IPO schools also utilized remote learning in 2020. This has become useful in case of flood, pandemic events, and other circumstances.

Discussion on Opportunities

The Company is still in the process of integrating approaches and identifying opportunities across all schools. However, the schools have already implemented several online and distance learning projects.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction		
Net Promoter Score	39[1]	No. Done internally by the school
Student Happiness Survey	3.41[2]	No. Done internally by the school

1 Net Promoter Score is based on UNC only (due to the COVID pandemic the other schools had not yet completed their customer satisfaction surveys at the time of data collection or no data is available).
2 Student Happiness Survey is based on NTC, Mapua, MCM and UNC schools as due to the COVID pandemic the other schools had not yet completed their student happiness surveys at the time of data collection and no data is available.

Customer management
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO ensures that its offered programs, from K-12, undergraduate, and postgraduate, comply with applicable laws and regulations and meet the needs and expectations of students and parents in terms of knowledge and experience gained, overall school experience, and value for money.

Methodologies for student evaluations of the schools' services vary per school and grade level. Overall, students are asked to provide evaluations of teachers and the schools' services and asked to answer the Net Promoter Score and Student Happiness surveys. The feedback from these evaluations are used to look for ways to improve the schools and develop programs and plans which address student concerns.

Discussion on Opportunities

IPO plans to continue using these methods to evaluate the schools' surveys. However, the surveys and methodologies themselves will be periodically reviewed to ensure that they provide a fair and accurate evaluation.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Health and Safety
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

As a hub for thousands of students, faculty, and staff, IPO considers health and safety to be a top priority. Risks include the spread of diseases which may turn into pandemic events, natural disasters such as floods, fires, earthquakes, and other situations such as bomb threats. Policies and emergency procedures, safety and health protocols are in place and may be readily implemented in case of pandemic events. Orientations and briefings and safety and emergency drills are regularly conducted. Videos on safety procedures in case of earthquakes and fires were also made as part of the information and awareness campaigns to ensure employees and students know what to do in case of fires, floods, earthquakes, and other emergency situations.

Health and safety protocols on the COVID pandemic were also implemented in 2020, in accordance with IATF, DOH and CHED regulations. The school clinics and their personnel are also trained on how to handle these situations and have set policies in place which augment the institutional policies on health and safety.

IPO schools have Health and Safety Committees that regularly meet to update policies and discuss issues on health and safety. They also have written policies and guidelines to address complaints concerning health and safety.

Schools are required to have licensed healthcare professionals (doctors, nurses, and dentist) on-site to provide adequate healthcare to students and employees. Aside from these, they also have designated Health and Safety Officers. To involve the population, awareness campaigns and seminars on health and safety are regularly conducted, as well as fire and earthquake drills. For 2020, the awareness campaigns were done online through regular postings and bulletins in websites and social media.

Discussion on Opportunities

IPO is in the process of evaluating the health and safety programs of the subsidiary schools (1) to ensure that all scenarios and the risks involved which affect the health and safety of students and employees are covered, particularly for the current COVID pandemic, and to (2) improve current programs to fill in gaps in the processes.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Marketing and Labeling

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO takes particular care to not misrepresent itself to its customers and other stakeholders. Risks include loss of reputation of the company, especially now with the widespread use and reach of social media. The schools' reputation is part of its marketing strength.

IPO schools each have a marketing team that double-check all marketing materials to ensure that all claims made of the schools' successes are accurate. For time-sensitive information, such as rankings, certifications, and board exam passing rates, time references are always included in materials. Periodic review of the schools' websites and other relatively permanently available materials are also done to ensure that they are updated and contain accurate the information. IPO has policies and procedures to address complaints on marketing and false or inaccurate information.

Discussion on Opportunities

IPO and its subsidiary schools are in the process of evaluating current marketing and communication strategies of the schools. This is to ensure that the strategies are appropriate and responsive to the needs of the schools. Plans to upgrade the skills of its current marketing teams which includes crisis communications, management training, and social media management are also being evaluated.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Customer privacy
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

As IPO and its subsidiary schools are primarily education providers, they collect and have access to personal and sensitive information of students and employees.

As a matter of policy, IPO and its subsidiaries respect and uphold data privacy rights and ensure that all personal data collected from students, their parents or guardians, employees, and other third parties are processed pursuant to provisions of the Data Privacy Act of 2012 as reflected in their respective Data Privacy Manuals.

Designated Data Privacy Officers are tasked to ensure compliance with the Data Privacy Act by implementing the data privacy policies of the schools. They also conducted seminars and orientations on the data privacy to ensure that the schools also strictly comply not only with the Data Privacy Act, but also with the provisions of the Manual of Regulations on Private Higher Education (MORPHE) and the Manual of Regulations on Private Schools (MRPS) on the confidentiality of student records and information. Privacy notices and data privacy statements are present in school forms so that students and parents are informed of how their information will be used. The schools also have policies and protocols in place to handle complaints and inquiries on data privacy.

Audits of the data privacy policies and their implementation are also regularly conducted for some of the schools. Online modules on data privacy are regularly cascaded to and answered by employees to ensure that they understand and apply the data privacy policies.

Discussion on Opportunities

IPO and its subsidiary schools are currently evaluating its policies to ensure that they continue to secure the student and employee records, and that the policies are updated and compliant with current laws and regulations.

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

Data security
Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO schools have IT policies on data security that are strictly implemented and regularly updated by their respective departments. Data security drills and exercises are also conducted. Students, faculty, and staff are informed about data security through awareness campaigns on the prevention of cybersecurity crimes and data security issues.

The schools have their respective policies and procedures in case of data breach, or violation of data security policies. The schools also have existing data management policies, guidelines, and procedures for handling and reporting data breaches. Audits of the data security policies and systems are also regularly conducted for some of the schools. Online modules on data security are regularly cascaded and answered by employees to ensure that understand and apply the data security policies.

In 2020, no incident of breach or unauthorized access was reported. This is primarily due to the strict implementation of the data security policies.

Discussion on Opportunities

IPO and its subsidiary schools are currently evaluating its policies to ensure that they continue to secure the student and employee records and data, and that the policies are updated and compliant with current laws and regulations.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Education from kindergarten to post-graduate (depending on the school)	4.3 Equal access to affordable technical, vocational, and higher education 4.B Expand higher education scholarships for developing countries 4.C Increase supply of qualified teachers in developing countries 8.6 Promote youth employment, education, or training	Inaccessible to lower-income Filipinos particularly since online or remote delivery is being implemented High quality of teacher graduates results in high demand and pay offered by public schools and abroad, which results in loss of qualified teachers for IPO	Partnerships for scholarships (government and private) Internally-funded scholarships and discounts Offer competitive pay, benefits, and incentives for teachers such as opportunity for further study, research incentives, and support for paper presentation
Research and development	Innovation and research that contributes to knowledge and/or contributes to an improved quality of life for Filipinos.	Cost of R&D (overspending)	Develop commercially viable projects, those that are “useful to society”, and those that may solve problems of communities or provide solutions to industries

* *None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

Education

Composed of 7 schools with various campuses, IPO offers education from kindergarten to post-graduate (depending on the school). In 2020, 48,410 students were enrolled in IPO schools, from Basic Education (K+12) to post-graduate. Sixty-one percent (61%) of the students also belonged to economic segments E, D, and C2, wherein their monthly household income ranged from below ₱10,000 to ₱64,999.

To increase enrollment of lower income and high-performing students (academic), IPO provided ₱131,431,943.02 in scholarships to 4,144 students. IPO also assists students in applying for government and privately-funded scholarships. Discounts and rebates on tuition and fees were also given to students as a result to the suspension of face to face classes and shift to remote/online learning due to the COVID-19 pandemic. In 2020, the schools also provided a total of ₱4,012,632.50 in scholarships (does not include discounts, e.g. employee benefit, family discount, etc.).

Aside from scholarships, providing affordable quality education that is accessible to the segments with lower income levels is also embedded in the business model of some IPO schools. APEC Schools, established in 2012, offering affordable education from Grades 7 to 12, with the goal of preparing its graduates for immediate employment and/or to pursue higher education. It has managed to do this even while offering a tuition fee rate that is relatively lower compared to other private high schools. In 2020, APEC Schools enrolled at total of 10,340 students across all campuses, with 34.39%% of them belonging to segments D and E (with monthly household income of ₱24,999 and below).

IPO's achievements in graduating students that are ready for higher education and/or the workforce can be seen in the graduates' employment rate despite the COVID-19 pandemic. In 2020, IPO schools produced 9,411 graduates in senior high school, undergraduate, and post-graduate. Of these, 63% received job offers within 120 days of graduation (data from NTC, and APEC Schools only). These graduates then become productive members of society. Aside from their individual benefit of earning a higher salary vs a non-graduate, graduates contribute more to economies through direct spending and taxes.

The schools also assist students in applying online for jobs through a centralized and revamped online internship program, online career coaching and career fairs, and activities designed to mimic the job application process.

For those taking board exams, the schools have correlation programs designed to assist and ensure that the examinees are prepared to take the board examinations. This is supplemented by holding review sessions that, in turn, translate to higher passing rates in the board examinations. However, as a result of the COVID-19 pandemic, most board examinations scheduled in 2020, except for the following examinations which were conducted prior to March 2020, have been postponed to the following year:

School	Top-Performing Courses	Board Exam Passing Rate (%)	National Average Passing Rate (%)
Mapua	Architecture	80.39	55.72
	Sanitary Engineering	100	62.38
	Mechanical Engineering	82.33	38.45
UNC	Architecture	94.1	55.72
	Law	20	27.36

Research and Development

Research and Development is a key product of the IPO schools. While R&D in itself is not an SDG goal, it underpins the success of the SDGs.

In 2020, IPO Schools spent ₱19,590,221.68 of internal university funds for R&D (amount does not include research funding received from external sources, such as government, funding agencies, etc.). Among the IPO Schools, Mapua was able published 358 research papers in ISI and/or SCOPUS-indexed journals. IPO schools have also taken other measures to improve research output, such as developed an institutional research agenda, revising their Research Incentive Policy, and providing support for presentation of papers in conferences both in the Philippines and abroad.

Mapua University also serves as an incubator for commercialized research. The Universal Structural Health Evaluation and Recording (USHER) System is designed to assess and provide real time status on the structural health of buildings and other structures. The USHER system resulted from a research project funded by DOST-PCCEIERD. A spin-off company was established under the FASTRAC project, also funded by the DOST-PCCIERD, based on the market and technical validation of the USHER project. The Intellectual Property on the USHER system is owned by Mapua (patent is pending), which is then licensed to the spin-off company for commercialization.

From: ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>
Sent: Wednesday, 5 May 2021 5:34 PM
To: Tin Alejandria
Subject: Re: IPO Conso AFS 2020

Dear Customer,

SUCCESSFULLY ACCEPTED
(subject to verification and review of the quality of the attached document)

Thank you.

SEC ICTD.

From: MSRD COVID19 <msrd_covid19@sec.gov.ph>
Sent: Monday, 10 May 2021 6:54 PM
To: Tin Alejandria
Cc: FRANCO B. DELFIN
Subject: Fwd: IPO Conso AFS 2020
Attachments: IPO 2020 17-A.pdf; IPO & SUBS 2020 SFFS_SEC.pdf

Dear Sir/Madam,

Acknowledging receipt of your email below with its attachments.

Thank you.

Regards,

MARKETS AND SECURITIES REGULATION DEPARTMENT
PHILIPPINE SECURITIES AND EXCHANGE COMMISSION

---------- Forwarded message ---------
From: **Tin Alejandria** <TinAlejandria@ipeople.com.ph>
Date: Wed, May 5, 2021 at 5:34 PM
Subject: IPO Conso AFS 2020
To: msrd_covid19@sec.gov.ph <msrd_covid19@sec.gov.ph>, ictdsubmission@sec.gov.ph <ictdsubmission@sec.gov.ph>
Cc: Jon Lopez <JonLopez@ipeople.com.ph>

Dear Ma'am/Sir,

Please see attached annual report SEC 17-A 2020 and corresponding consolidated SFFS.

We are filing through email due to unavailability of document uploading thru OST and unavailability of appointment schedule for manual filing.

Appreciate receiving your confirmation. Thank you.

SEC Registration No: 0000166411
Company Name: IPEOPLE INC.

Regards,

Tin Alejandria - Accounting

iPEOPLE

From: Tin Alejandria
Sent: Wednesday, 5 May 2021 5:29 PM
To: 'ictdsubmission@sec.gov.ph' <ictdsubmission@sec.gov.ph>; 'msrd_covid19@sec.gov.ph' <msrd_covid19@sec.gov.ph>
Cc: Jon Lopez <JonLopez@ipeople.com.ph>
Subject: IPO Parent AFS 2020

Dear Ma'am/Sir,

Please see attached parent audited FS 2020 and corresponding SFFS.

We are filing through email due to unavailability of document uploading thru OST and unavailability of appointment schedule for manual filing.

Appreciate receiving your confirmation. Thank you.

SEC Registration No: 0000166411
Company Name: IPEOPLE INC.

Regards,

Tin Alejandria - Accounting

iPEOPLE

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	6	6	4	1	1					

COMPANY NAME

iPeople, inc.

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

3rd Floor, Grepalife Building,
219 Sen. Gil J. Puyat Avenue,
Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
N/A	8253-3637	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
2,013	July 30	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Jonathan M. Lopez	jonlopez@ipeople.com.ph	8253-3637	N/A

CONTACT PERSON's ADDRESS

2nd Floor, Mapua Building, 333 Sen. Gil J. Puyat Avenue, Makati City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

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Fax: (632) 8819 0872
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BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
iPeople, inc.
3rd Floor, Grepalife Building
219 Sen. Gil J. Puyat Avenue
Makati City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of iPeople, inc. (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2020 and 2019, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for each of the three years in the period ended December 31, 2020, and notes to the parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2020 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parent Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Parent Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

The supplementary information required under Revenue Regulations No. 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of iPeople, inc. in a separate schedule. Revenue Regulations No. 15-2010 requires the information to be presented in the notes to parent company financial statements. Such information is not a required part of the basic parent company financial statements. The information is also not required by the Revised Securities Regulation Code Rule No. 68. Our opinion on the basic parent company financial statements is not affected by the presentation of the information in a separate schedule.

The engagement partner on the audit resulting in this independent auditor's report is Ana Lea C. Bergado.

SYCIP GORRES VELAYO & CO.

Ana Lea C. Bergado

Ana Lea C. Bergado
Partner
CPA Certificate No. 80470
SEC Accreditation No. 0660-AR-4 (Group A),
October 22, 2019, valid until October 21, 2022
Tax Identification No. 102-082-670
BIR Accreditation No. 08-001998-063-2020,
November 27, 2020, valid until November 26, 2023
PTR No. 8534225, January 4, 2021, Makati City

April 8, 2021

iPeople, Inc.
A YGC Member

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **iPeople, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2020, 2019 and 2018, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

SyCip, Gorres, Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

RENATO C. VALENCIA
Chairman

DR. REYNALDO B. VEA
President & CEO

GEMA O. CHENG
EVP & Chief Financial Officer

Signed this 27 *day of* APR 2021, *2021*

DOC. NO. 250
PAGE NO. 57
BOOK NO. 148
SERIES OF 2021

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RUBERT T. M. RAMIREZ
NOTARY PUBLIC
UNTIL DEC. 31, 2021
IBP NO. 142536 / 01-04-21 CY 2021
ROLL NO. 28947 / MCLE 6 / 3-22-19
PTR NO. MKT. 8533546 / 1-4-21 APPT NO. M-161

iPeople, inc.

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	December 31	
	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 16 and 18)	**₱233,713,486**	₱332,465,772
Receivables (Notes 7, 16 and 18)	**436,261**	1,262,661
Receivables from related parties (Notes 16 and 18)	**5,626,171**	13,448,305
Investment in corporate bond at amortized cost (Notes 16 and 18)	**35,000,000**	–
Prepaid expense and other current assets	**1,894,982**	–
Total Current Assets	**276,670,900**	347,176,738
Noncurrent Assets		
Investments in subsidiaries (Note 8)	**5,098,991,361**	5,098,991,361
Investment in corporate bond at amortized cost (Notes 16 and 18)	**–**	35,000,000
Property and equipment (Note 9)	**9,358,856**	3,005,932
Other noncurrent assets (Note 10)	**42,348,061**	44,037,886
Total Noncurrent Assets	**5,150,698,278**	5,181,035,179
	₱5,427,369,178	₱5,528,211,917
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 11 and 18)	**₱92,398,495**	₱129,931,701
Payables to related parties (Notes 16 and 18)	**13,100,401**	2,177,985
Total Current Liabilities	**105,498,896**	132,109,686
Equity (Notes 8 and 12)		
Common stock	**1,044,263,197**	1,044,263,197
Additional paid-in capital	**3,294,967,204**	3,294,967,204
Treasury stock	**(209)**	(209)
Fair value reserve of equity instruments at FVOCI (Note 18)	**–**	(880,318)
Retained earnings	**982,640,090**	1,057,752,357
Total Equity	**5,321,870,282**	5,396,102,231
	₱5,427,369,178	₱5,528,211,917

See accompanying Notes to Parent Company Financial Statements.

iPeople, inc.

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2020	2019	2018
SERVICE FEE INCOME (Note 16)	**₱36,488,196**	₱28,696,897	₱–
INTEREST INCOME (Notes 6 and 16)	**4,899,583**	16,694,925	7,186,260
DIVIDEND INCOME (Note 8)	**–**	–	162,883,248
COSTS AND EXPENSES (Note 13)	**(41,641,854)**	(61,365,562)	(23,861,611)
INCOME (LOSS) BEFORE INCOME TAX	**(254,075)**	(15,973,740)	146,207,897
PROVISION FOR INCOME TAX (Note 14)	**730,098**	573,938	–
NET INCOME (LOSS)	**(984,173)**	(16,547,678)	146,207,897
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Fair value reserve of equity instruments at FVOCI (Note 18)	**–**	3,092,253	(10,689,471)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(₱984,173)**	(₱13,455,425)	₱135,518,426
Basic/Diluted Earnings Per Share (Note 15)	**(₱0.0009)**	(₱0.0175)	₱0.1952

See accompanying Notes to Parent Company Financial Statements.

iPeople, inc.

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

	For the Year Ended December 31, 2020						
	Common Stock (Notes 8 and 12)	**Additional Paid-in Capital** (Notes 8 and 12)	**Fair value reserve of equity instruments at FVOCI** (Note 18)	**Unrealized Gain on AFS Financial Assets** (Note 18)	**Treasury Stock** (Note 12)	**Retained Earnings** (Note 12)	**Total**
Balances as of January 1, 2020	**₱1,044,263,197**	**₱3,294,967,204**	**(₱880,318)**	**₱–**	**(₱209)**	**₱1,057,752,357**	**₱5,396,102,231**
Total comprehensive income	**–**	–	**–**	**–**	**–**	**(984,173)**	**(984,173)**
Dividends declared	**–**	**–**	–	**–**	**–**	**(73,247,776)**	**(73,247,776)**
Transfer to retained earnings	**–**	**–**	**880,318**	**–**	**–**	**(880,318)**	**–**
Balances as of December 31, 2020	**₱1,044,263,197**	**₱3,294,967,204**	**₱–**	**₱–**	**(₱209)**	**₱982,640,090**	**₱5,321,870,282**
			For the Year Ended December 31, 2019				
Balances as of January 1, 2019	₱748,933,221	₱2,037,972	(₱3,972,571)	₱–	(₱209)	₱1,133,573,847	₱1,880,572,260
Net income	–	–	–	–	–	(16,547,678)	(16,547,678)
Other comprehensive loss	–	–	3,092,253	–	–	–	3,092,253
Total comprehensive income	–	–	3,092,253	–	–	(16,547,678)	(13,455,425)
Issuance of shares (Notes 8 and 12)	295,329,976	3,292,929,232	–	–	–	–	3,588,259,208
Dividends declared	–	–	–	–	–	(59,273,812)	(59,273,812)
Balances as of December 31, 2019	₱1,044,263,197	₱3,294,967,204	(₱880,318)	₱–	(₱209)	₱1,057,752,357	₱5,396,102,231
			For the Year Ended December 31, 2018				
Balances as of January 1, 2018	₱748,933,221	₱2,037,972	₱–	₱6,716,900	(₱209)	₱1,167,109,906	₱1,924,797,790
Net income	–	–	–	–	–	146,207,897	146,207,897
Other comprehensive income	–	–	(10,689,471)	–	–	–	(10,689,471)
Total comprehensive income	–	–	(10,689,471)	–	–	146,207,897	135,518,426
Transfer of unrealized gain on AFS financial assets to fair value reserve of equity instruments at FVOCI	–	–	6,716,900	(6,716,900)	–	–	–
Dividends declared	–	–	–	–	–	(179,743,956)	(179,743,956)
Balances as of December 31, 2018	₱748,933,221	₱2,037,972	(₱3,972,571)	₱–	(₱209)	₱1,133,573,847	₱1,880,572,260

See accompanying Notes to Parent Company Financial Statements.

iPeople, inc.

PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2020	2019 (Note 8)	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	**(₱254,075)**	(₱15,973,740)	₱146,207,897
Adjustments for:			
Interest income (Notes 6 and 16)	**(4,899,583)**	(16,694,925)	(7,186,260)
Depreciation and amortization (Notes 9 and 10)	**571,566**	389,612	–
Provision for impairment loss (Notes 8 and 13)	–	14,957,189	–
Dividend income (Note 8)	–	–	(162,883,248)
Operating loss before working capital change	**(4,582,092)**	(17,321,864)	(23,861,611)
Decrease (increase) in:			
Receivables	**77,587**	(356,416)	–
Receivables from related parties	**7,822,134**	(12,343,895)	–
Prepaid and other current assets	**(1,894,982)**	–	–
Increase (decrease) in accounts payable and other current liabilities	**(41,751,213)**	(20,048,387)	5,375,735
Net cash used in operations	**(40,328,566)**	(50,070,562)	(18,485,876)
Interest received	**5,648,396**	16,644,469	6,634,743
Net cash used in operating activities	**(34,680,170)**	(33,426,093)	(11,851,133)
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in other noncurrent assets	**(5,964,762)**	(6,628,007)	(1,984,092)
Additional investments in subsidiaries (Note 8)	–	(879,676,141)	(23,500,000)
Cash due to business combination (Note 8)	–	814,645,967	–
Dividends received (Notes 7, 8 and 16)	–	162,677,769	325,561,121
Acquisition of investment in corporate bond at amortized cost (Note 16)	–	(35,000,000)	–
Proceed from disposal of equity instruments at FVOCI (Note 18)	–	17,481,926	–
Net cash provided by (used in) investing activities	**(5,964,762)**	73,501,514	300,077,029
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid (Note 17)	**(69,029,770)**	(106,758,397)	(179,746,479)
Increase (decrease) in payable to related parties (Note 17)	**10,922,416**	1,758,783	(222,747)
Cost on issuance of new shares (Note 8)	–	(2,953,300)	–
Net cash used in financing activities	**(58,107,354)**	(107,952,914)	(179,969,226)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(98,752,286)**	(67,877,493)	108,256,670
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**332,465,772**	400,343,265	292,086,595
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱233,713,486**	₱332,465,772	₱400,343,265

See accompanying Notes to Parent Company Financial Statements.

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

iPeople, inc. (the Parent Company) is a publicly-listed stock corporation incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on July 27, 1989. The Parent Company, a subsidiary of House of Investments, Inc. (HI), is a holding and management company with main interest in education. The Parent Company's subsidiaries are disclosed in Note 8.

The Parent Company is a member of the Yuchengco Group of Companies (YGC). The Parent Company's ultimate parent company is Pan Malayan Management and Investment Corporation (PMMIC). The registered office address of the Parent Company is at 3rd Floor, Grepalife Building, 219 Sen. Gil J. Puyat Avenue, Makati City.

Merger with AC Education, Inc. (AEI)

On October 1, 2018, the Board of Directors (BOD) of iPeople, inc. executed a memorandum of agreement (MOA) for a proposed Plan of Merger between iPeople, inc. and AC Education, Inc. (AEI), the wholly owned education arm of Ayala Corporation (AC), with iPeople, inc. as the surviving entity with HI and AC owning 48.18% and 33.5%, respectively. The merger would bring together the educational group of HI and AC.

The proposed merger was subsequently approved by iPeople, inc.'s Stockholders on December 12, 2018 and was approved by the Philippine Competition Commission (PCC) on December 12, 2018. On April 24, 2019, the SEC approved the merger between iPeople, inc. and AEI, with iPeople, inc. as the surviving entity, and to take effect five business working days thereafter or May 2, 2019. On said date, iPeople, inc. issued 295,329,976 common shares from its unissued capital stock to AC. After the merger, iPeople, inc. became 48.18% owned by HI and 33.5% owned by AC. Details of the merger is disclosed in Note 8.

2. Basis of Preparation

The financial statements of the Parent Company have been prepared under the historical cost basis, except for financial assets carried at fair value. The parent company financial statements are presented in Philippine Peso (₱), which is the Parent Company's functional and presentation currency. Except as otherwise indicated, all amounts are rounded off to the nearest peso.

Statement of Compliance

The financial statements of the Parent Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

The Parent Company also prepares and issues consolidated financial statements for the same period as the separate financial statements presented in compliance with PFRSs, which can be obtained from the Parent Company's registered office address mentioned in Note 1.

3. **Changes in Accounting Policies and Disclosures**

The accounting policies adopted are consistent with those of the previous financial year, except that the Parent Company adopted the following new accounting pronouncements starting January 1, 2020. The adoption of these pronouncements did not have any significant impact on the Parent Company's financial position or performance.

- Amendments to PFRS 3, *Business Combinations, Definition of a Business*
- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*
- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*
- Conceptual Framework for Financial Reporting issued on March 29, 2018
- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

<u>Standards Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below. The Parent Company does not expect that the future adoption of the said pronouncements to have a significant impact on its parent company financial statements. The Parent Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2021
- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

Effective beginning on or after January 1, 2022
- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16 , *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs* 2018-2020 Cycle
  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*
  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

Effective beginning on or after January 1, 2023
- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*
- PFRS 17, *Insurance Contracts*

Deferred effectivity
- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Parent Company continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to 2020 on the parent company financial statements in the period of initial application. Additional disclosures required by these new pronouncements will be included in the parent company financial statements when these are adopted.

4. **Significant Accounting Policies**

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and that are subject to an insignificant risk of changes in value.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Parent Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Parent Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the parent company financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the parent company financial statements on a recurring basis, the Parent Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Parent Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial Instruments

Initial recognition and subsequent measurement

The Parent Company recognizes a financial asset or a financial liability in the parent company statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Financial assets - Initial recognition and measurement

Financial assets are classified, at initial recognition, as “subsequently measured at amortized cost ; fair value through other comprehensive income (FVOCI); and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Parent Company’s business model for managing them. The Parent Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flow that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Parent Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Parent Company has financial assets at amortized cost (debt instruments).

Financial assets at amortized cost (debt instruments)

The Parent Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

This accounting policy relates to the Parent Company's cash and cash equivalents, receivables, receivables from related parties, and investment in corporate bond at amortized cost.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Parent Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Parent Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Parent Company has transferred substantially all the risks and rewards of the asset, or (b) the Parent Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets
The Parent Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Parent Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

An impairment analysis is performed at each reporting date and the Parent Company generally used the provision matrix to measure ECL. The mechanics of the ECL calculations and the key elements are, as follows:

a. *Probability of default (PD)* is an estimate of the likelihood of default over a given time horizon.
b. *Exposure at default (EAD)* is an estimate of the exposure at a future default date taking into account expected changes in the exposure after the reporting date.
c. *Loss given default (LGD)* is an estimate of the loss arising in the case where a default occurs at a given time.

The Parent Company's debt instruments at amortized cost comprise of cash and cash equivalents, receivables, receivables from related parties, and investment in bond that are considered to have low credit risk. Hence, it is the Parent Company's policy to measure ECL on such instruments on a 12-month basis applying the low credit risk simplification. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Parent Company uses external credit ratings both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

The Parent Company may consider a financial asset to be in default when internal or external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities - Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Parent Company's financial liabilities include loans and borrowings.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:
- Financial liabilities at fair value through profit or loss
- Loans and borrowings

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income.

This category generally applies to interest-bearing loans and borrowings.

This accounting policy applies primarily to accounts payable and other current liabilities (excluding payables to government) and payables to related parties.

Derecognition of financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

'Day 1' difference
Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Parent Company recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in profit or loss under "Interest income and "Interest and other financing charges accounts unless it qualifies for recognition as some other type of asset or liability.

In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Parent Company determines the appropriate method of recognizing the 'Day 1' difference amount.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation, and any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the assets to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul cost, are normally charged to expense in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Asset under installation represents property and equipment acquired but under installation and not yet ready for use. These are stated at cost and are not depreciated until such time that the relevant assets are ready for their intended use.

Depreciation is computed using the straight-line method over the estimated useful lives (EUL) of the related assets. Property and equipment and their related EUL are as follows:

Category	Years
Computer Equipment	3
Office furniture and equipment	3-5
Transportation equipment	5

The useful life and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation and amortization are credited to or charged against current operations.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected as part of current operations.

Other Noncurrent Assets
Other noncurrent assets include creditable withholding taxes (CWTs) and value-added tax (VAT). CWTs are amounts from income subject to expanded withholding tax which can be utilized as payments for income taxes provided that these are properly supported by certificates of creditable tax withheld at source.

Input VAT pertains to the 12% indirect tax paid by the Parent Company on local purchase of goods or services.

Input VAT and CWTs that are not expected to be fully applied against the output VAT and income tax liability, respectively, of the succeeding year are presented as noncurrent asset.

Investments in Subsidiaries
The Parent Company's investments in subsidiaries are accounted for in the parent company financial statements at cost less any impairment in value. Under the cost method, the Parent Company recognizes income from the investments only to the extent that the Parent Company receives distribution (dividend income) from accumulated profits of the subsidiaries arising after the date of acquisition. Distributions from accumulated profits of the investee are recognized as dividend income from the investments. Any distributions in excess of the investor's accumulated profits are regarded as recovery of investments and are recognized as reduction of the costs of the investments.

Subsidiaries are entities over which the Parent Company has control. Control is achieved when the Parent Company is exposed, or has a right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if and only if the Parent Company has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

A change in ownership interest of a subsidiary, without a change in control, is accounted for as an equity transaction. If the Parent Company losses control over a subsidiary, it: (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary; (b) derecognizes the carrying amounts of any non-controlling interest; (c) recognizes the fair value of consideration received; (d) recognizes the fair value of any investment retained; (e) recognizes any surplus or deficit in profit or loss; and (f) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

Impairment of Nonfinancial Assets
This accounting policy relates to impairment of nonfinancial assets such as investments in subsidiaries and other noncurrent assets.
The Parent Company assesses as of reporting date whether there is an indication that nonfinancial assets may be impaired. If any such indication exists, the Parent Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

An assessment is made at each financial reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase in OCI. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Business Combination

An acquisition of a business (i.e. an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return directly to investors) is a business combination. Business combinations are accounted for using the acquisition method. The acquired identifiable tangible and intangible assets, liabilities and contingent liabilities are measured at their fair values at the date of the acquisition. Any excess of the acquisition cost over the net fair value of the identifiable assets acquired and liabilities assumed is recognized as goodwill. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

When the Parent Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PAS 39 either in profit or loss or as a change to OCI. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Parent Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Impairment losses relating to goodwill cannot be reversed in future periods. Impairment test of goodwill is performed at least annually.

Equity

The Parent Company records common stock at par value and additional paid-in capital for the excess of the total contributions received over the aggregate par value of the equity shares. When the Parent Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. When any member of the Parent Company purchases the Parent Company's capital stock (treasury shares), the consideration paid, including any attributable incremental costs, is deducted from equity attributable to the Parent Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instrument.

Retained earnings represent accumulated earnings less dividends declared and any adjustment arising from application of new accounting standards, policies or corrections of errors applied retroactively, if any. Retained earnings are restricted for the payment of dividends to the extent of the cost of treasury shares. Dividends declarations are approved by the Parent Company's Board of Directors (BOD).

Revenue Recognition
Revenue is measured based on the consideration to which the Parent Company expects to be entitled in exchange for transferring promised goods or services to a customer. Revenue is recognized when the Parent Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the goods or service. The Parent Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Parent Company has concluded that it is acting as principal in all of its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized:

Service fee income
Service fee income is recognized over time as the service is being rendered.

Dividend income
Revenue is recognized when the Parent Company's right to receive payment is established.

Interest income
Interest income on cash and cash equivalents is recognized as it accrues using the effective interest method.

Costs and Expenses
Costs and expenses include costs of service and general and administrative expenses. Costs of service include expenses associated with the different stock listing and transfer expenses. General and administrative expenses constitute costs of administering the business. Costs and expenses are expensed as incurred.

Income Taxes
Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date.

Deferred tax
Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred income tax that relates to items that are recognized; (a) in other comprehensive income shall be recognized in other comprehensive income; and (b) directly in equity shall be recognized directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Interest and Financing Charges
Interest and financing charges is recognized as expense in the period in which it is incurred.

Basic Earnings per Share (EPS)
Basic earnings per common share is computed based on weighted average number of issued and outstanding common shares, less treasury shares, after giving retroactive effect for any stock dividends. Diluted earnings per share, if applicable, is computed on the basis of the weighted average number of shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. There are no dilutive potential common shares that would require disclosure of diluted earnings per common share in the parent company financial statements.

Provisions
Provision is recognized when the Parent Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingencies
Contingent liabilities are not recognized in the parent company financial statements. These are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the parent company financial statements but disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

Events after the Financial Reporting Date
Post year-end events up to the date of the auditor's report that provide additional information about the Parent Company's position at financial reporting date (adjusting event) are reflected in the parent company financial statements. Any post year-end events that are non-adjusting events are disclosed on the parent company financial statements when material.

5. **Significant Accounting Judgments and Estimates**

The preparation of the parent company financial statements in compliance with PFRSs requires management to make judgements, estimates and assumptions that affect the amounts reported in the parent company financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the parent company financial statements as they become reasonably determinable.

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Purchase price allocation in business combinations
The parent company financial statements reflect the acquired assets and liabilities of AEI after the completion of the merger which is effective May 2, 2019 (Note 8). The Parent Company accounts for the acquired business using the acquisition method, which requires use of accounting judgments and estimates to allocate the purchase price to the fair market values of the acquiree's identifiable assets and liabilities and contingent liabilities, if any, at the acquisition date. Thus, the numerous judgments made in estimating the fair value to be assigned to the acquiree's assets and liabilities can materially affect the financial position and performance (Note 8).

Impairment of nonfinancial assets
The Parent Company assesses impairment on investments in subsidiaries and noncurrent assets whenever events or changes in the circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Parent Company considers important which could trigger an impairment review include significant underperformance relative to expected historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for overall business, and significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. The fair value is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Management assessed that investments in subsidiaries and noncurrent assets are not impaired as at December 31, 2020 and 2019, except for its investment in Pan Pacific Computer Center, Incorporated and People eServe Corporation which were provided with allowance for impairment losses (Note 8).

Recognition of deferred tax assets
The Parent Company reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management believes that there is no absolute assurance that the Parent Company will generate sufficient future taxable profit to allow all or part of its deferred income tax assets to be utilized. Thus, the Parent Company did not recognize any deferred income tax assets on its net operating loss carry-over (NOLCO) and minimum corporate income tax (MCIT) [Note 14].

6. Cash and Cash Equivalents

This account consists of:

	2020	2019
Cash on hand	**₱13,000**	₱14,419
Cash in banks (Note 16)	**66,700,223**	42,521,289
Cash equivalents (Note 16)	**167,000,263**	289,930,064
	₱233,713,486	₱332,465,772

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents earn interest at the prevailing short-term investment rates.

Interest income earned from cash and cash equivalents amounted to ₱3,221,747, ₱15,731,089 and ₱7,186,260 in 2020, 2019 and 2018, respectively (Note 16).

7. Receivables

This account consists of:

	2020	2019
Interest receivable (Note 16)	**₱157,000**	₱905,813
Advances to officers and employees	**278,829**	352,194
Other receivables	**432**	4,654
	₱436,261	₱1,262,661

For the terms and conditions related to related party transactions, please refer to Note 16.

8. Business Combination and Investments in Subsidiaries

Business Combination

As disclosed in Note 1, on October 1, 2018, the BOD of iPeople, inc. executed a MOA for a proposed Plan of Merger between iPeople, inc. and AEI with iPeople, inc. as the surviving entity with HI and AC owning 48.18% and 33.5%, respectively, in iPeople, inc. The merger would bring together the educational groups of HI and AC.

On April 24, 2019, the SEC approved the merger between iPeople, inc. and AEI, with iPeople, inc. as the surviving entity, and to take effect five business working days thereafter or May 2, 2019. iPeople, inc., being the surviving corporation is deemed to have acquired all the assets and to have assumed all the liabilities of AEI in a business combination accounted for under the acquisition method. In exchange for the transfer of the net assets of AEI to iPeople, inc., iPeople, inc. issued on May 2, 2019 to the shareholders of AEI an aggregate of 295,329,976 shares with par value of ₱1.0 per share for a total fair value of ₱3.59 billion based on iPeople, inc.'s quoted closing rate per share as of May 2, 2019. The excess of the fair value of shares issued over the par value was recognized as additional paid-in capital.

Assets acquired from AEI includes investments in the following subsidiaries:

Subsidiaries	Ownership Interest
Affordable Private Education Center, Inc. doing business under the name of APEC Schools (APEC)	100.00%
AC College of Enterprise and Technology, Inc. (ACCET)	100.00%
LINC Institute, Inc. Doing Business under the Name and Style of LINC Academy (LINC)	100.00%
National Teachers College doing business under the name/s and style/s of The National Teachers College (NTC)	99.79%
University of Nueva Caceres (UNC)	58.63%

The purchase price allocation has been finalized. The fair values of the identifiable assets and liabilities as at the date of acquisition follows (amounts in thousands):

Assets	
Cash and cash equivalents	₱814,646
Investments in subsidiaries	2,773,347
Creditable withholding taxes	17,658
Input VAT	6,772
Property and equipment	314
Other current assets	129,569
	3,742,306
Liabilities	
Accounts and other liabilities	151,093
Net Assets	₱3,591,213

Acquisition-related costs were recognized as expense in 2019 and 2018.

Analysis of 2019 cash flows on acquisition follows (amounts in thousands):

Cash acquired from AEI (included in cash flows from investing activities)	₱814,646
Transaction costs of the acquisition (included in cash flows from operating activities) [Note 13]	(7,523)
Transaction costs attributable to issuance of shares (included in cash flows from financing activities)	(2,953)
Net cash flows on acquisition	₱804,170

Investments in Subsidiaries
The details of the Parent Company's investments in subsidiaries, which are accounted under the cost method, and the corresponding percentage of ownership as of December 31, 2020 and 2019 follow:

	Effective Interest	
Malayan Education System, Inc. (MESI)	100%	₱2,111,374,062
Pan Pacific Computer Center, Incorporated (PPCCI)	100%	27,207,505
People eServe Corporation (PEC)	100%	9,000,000

(Forward)

	Effective Interest	
New subsidiaries acquired after the merger:		
Affordable Private Education Center, Inc. (APEC)	100%	₱369,480,000
AC College of Enterprise and Technology, Inc. (ACCET)	100%	283,044,293
LINC Institute, Inc. (LINC)	100%	4,288,840
National Teachers College (NTC)	99.79%	1,136,476,295
University of Nueva Caceres (UNC)	83.62%	1,185,785,060
		₱5,126,656,055
Less accumulated impairment losses on PPCCI and PEC		27,664,694
		₱5,098,991,361

On May 9, 2019, the Parent Company acquired the 281,642 shares of MESI owned by HI for ₱778.20 million, which represents 7% ownership in MESI. With this acquisition, MESI became a 100%-owned subsidiary of the Parent Company.

In December 2019, the Parent Company acquired 2,743 additional shares of UNC from various stockholders for ₱205.73 million representing 24.99% ownership in UNC. With the acquisition, the Parent Company now owned 83.62% of UNC.

Cash dividend income from MESI amounted to ₱162,883,248 in 2018 (nil in 2020 and 2019).

In 2018, additional cash investments amounting to ₱16.50 million and ₱7.00 million were made by the Parent Company to subscribe for the remaining unissued shares of PPCCI and PEC, respectively. In 2019, the Parent Company recognized additional impairment losses on PPCCI and PEC amounting to ₱14.96 million (Note 13). These entities have no operations and under liquidation.

Audited financial information of the Parent Company's subsidiaries as at December 31 follows (in thousands):

	2020	2019
MESI		
Total assets	**₱6,927,730**	₱7,471,262
Total liabilities	**1,125,957**	2,149,895
Net income	**352,467**	384,336
PPCCI		
Total assets	**₱12,664**	₱12,504
Total liabilities	**3,576**	3,958
Net income	**541**	127
PEC		
Total assets	**₱582**	₱611
Total liabilities	**819**	721
Net loss	**(126)**	(158)
APEC		
Total assets	**₱719,105**	₱848,557
Total liabilities	**656,140**	709,124
Net loss	**(79,931)**	(75,993)

	2020	2019
NTC		
Total assets	**₱1,540,937**	₱1,477,602
Total liabilities	**585,054**	609,453
Net income	**66,543**	40,818
UNC		
Total assets	**₱1,751,313**	₱1,717,222
Total liabilities	**321,128**	368,441
Net income (loss)	**(23,034)**	26,355
ACCET		
Total assets	**₱362,979**	₱343,630
Total liabilities	**46,742**	40,735
Net loss	**(435)**	(192)
LINC		
Total assets	**₱4,295**	₱4,336
Total liabilities	**55**	55
Net loss	**(41)**	(8)

9. Property and Equipment

	December 31, 2020				
	Transportation Equipment	**Computer Equipment**	**Office Furniture and Equipment**	**Asset under installation**	**Total**
Cost					
Balance at beginning of year	**₱310,006**	**₱1,317,558**	**₱1,493,226**	**₱1,504,762**	**₱4,625,552**
Acquisitions	**–**	**111,325**	**–**	**6,813,165**	**6,924,490**
Retirement	**–**	**(34,085)**	**(404,616)**	**–**	**(438,701)**
Balance at end of year	**310,006**	**1,394,798**	**1,088,610**	**8,317,927**	**11,111,341**
Accumulated depreciation, amortization and impairment loss					
Balance at beginning of year	**₱41,334**	**₱940,558**	**₱637,728**	**₱–**	**₱1,619,620**
Depreciation (Note 13)	**62,001**	**174,027**	**335,538**	**–**	**571,566**
Retirement	**–**	**(34,085)**	**(404,616)**	**–**	**(438,701)**
Balance at end of year	**103,335**	**1,080,500**	**568,650**	**–**	**1,752,485**
Total	**₱206,671**	**₱314,298**	**₱519,960**	**₱8,317,927**	**₱9,358,856**

	December 31, 2019				
	Transportation Equipment	Computer Equipment	Office Furniture and Equipment	Asset under installation	Total
Cost					
Balance at beginning of year	₱–	₱293,080	₱21,696	₱–	₱314,776
Acquisitions	310,006	392,275	982,638	1,504,762	3,189,681
Additions from business combination (Note 8)	–	930,114	457,285	–	1,387,399
Reclassifications and adjustments	–	(297,911)	31,607	–	(266,304)
Balance at end of year	310,006	1,317,558	1,493,226	1,504,762	4,625,552
Accumulated depreciation, amortization and impairment loss					
Balance at beginning of year	–	293,080	21,696	–	314,776
Depreciation (Note 13)	41,334	90,553	241,909	–	373,796
Additions from business combination (Note 8)	–	678,381	395,301	–	1,073,682
Reclassifications and adjustments	–	(121,456)	(21,178)	–	(142,634)
Balance at end of year	41,334	940,558	637,728	–	1,619,620
Total	₱268,672	₱377,000	₱855,498	₱1,504,762	₱3,005,932

Asset under installation pertains to the cost incurred for office equipment that is under installation and ongoing office fit out for the new office space.

10. Other Noncurrent Assets

This account consists of:

	2020	2019
Software cost		
Cost	**₱357,835**	₱471,710
Accumulated amortization	**(357,835)**	(373,651)
Net book value of software cost	**–**	98,059
Creditable withholding tax (Note 8)	**24,364,174**	24,144,080
Input VAT (Note 8)	**17,983,887**	19,795,747
	₱42,348,061	₱44,037,886

The software cost pertains to the computer software arising from purchase of Oracle E-Business Suite license and Office 365 small business. In 2020, reclassification was made relative to the purchase of Office 365 to correct the expense account from amortization to IT expense account. The amortization amounting to ₱15,816 was reversed and the corresponding cost amounting to ₱113,875 was reclassified to prepaid expenses.

11. Accounts Payable and Other Current Liabilities

This account consists of:

	2020	2019
Accounts payable	**₱25,952,475**	₱21,734,469
Accrued expenses and payables to government	**5,769,524**	5,334,733
Other payables	**60,676,496**	102,862,500
	₱92,398,495	₱129,931,701

Accounts payable pertain to declared dividends in the prior years that remain unpaid as at December 31, 2020 and 2019, respectively.

Accrued expenses and payables to government consist of expanded withholding tax payable, output tax, accrued rent and utilities, and professional fees, among others.

Other payables as of December 31, 2020 and 2019 pertain to the outstanding balance in the purchase price of additional UNC shares to be paid upon delivery of the Certificate Authorizing Registration in favor of the Parent Company (Note 8).

12. Equity

Capital Stock

Capital stock consists of 2,000,000,000 authorized with 1,044,263,197 issued common shares as of December 31, 2020 and 2019, respectively, with a par value of ₱1 per share. Issued and outstanding shares (excluding treasury shares of 272) is 1,044,262,925 shares as of December 31, 2020 and 2019.

On September 15, 1989, SEC approved the registration of the Group's entire authorized capital stock with a Certificate of Permit to Sell Securities authorizing the sale of 25 billion shares worth ₱250.00 million. The Group's capital stock was listed in both Manila and Makati Stock Exchanges on January 24, 1990. Actual number of shares initially listed is 15 billion at an offer price of ₱0.01 per share.

In exchange for the acquisition of AEI as disclosed in Note 8, the Parent Company issued to the shareholder of AEI an aggregate of 295,329,976 shares out of the unissued portion of its authorized capital stock, with a total par value of ₱295.33 million. The shares issued were valued at fair value based on the May 2, 2019 PSE closing price of ₱12.16 per share for a total value of ₱3.6 billion. The excess of the total value of ₱3.6 billion over the par value of ₱295.33 million was recognized as additional paid-in capital.

Below is the summary of the Parent's outstanding number of shares and holders of securities as at December 31, 2020.

Year	Number of Shares Registered	Number of Holders of Securities as at year end
January 1, 2019	748,932,949	2,022
Add (deduct) movement	295,329,976	(5)
December 31, 2019	1,044,262,925	2,017
Add (deduct) movement	–	(4)
December 31, 2020	1,044,262,925	2,013

Note: Exclusive of 272 treasury shares

Retained Earnings

Cash Dividends

In accordance with the Revised Securities Regulation Code (SRC) Rule No. 68, the Parent Company's retained earnings available for dividend declaration as at December 31, 2020 and 2019 amounted to ₱982.64 million and ₱1,057.75 million, respectively. The Parent Company will declare dividends out of its retained earnings available for dividend declaration.

The BOD declared cash dividends as follows:

	2020	2019	2018
March 27, 2020, 1% cash dividends (₱0.070143 per share) to stockholders of record as at April 14, 2020, will be paid on May 8, 2020	**₱73,247,776**	₱–	₱–
June 28, 2019, 1% cash dividends (₱0.014 per share) to stockholders of record as at July 25, 2019, will be paid on August 16, 2019	–	14,337,819	–
March 29, 2019, 6% cash dividends (₱0.06 per share) to stockholders of record as at April 15, 2019, will be paid on May 14, 2019	–	44,935,993	–
December 12, 2018, 6% cash dividends (₱0.06 per share) to stockholders of record as at January 8, 2019, will be paid on February 1, 2019	–	–	44,935,993

	2020	2019	2018
October 1, 2018, 6% cash dividends (₱0.06 per share) to stockholders of record as at October 26, 2018, paid on November 21, 2018	**₱–**	₱–	₱44,935,993
June 29, 2018, 6% cash dividends (₱0.06 per share) to stockholders of record as at July 26, 2018, paid on August 17, 2018	**–**	–	44,935,977
March 23, 2018, 6% cash dividends (₱0.06 per share) to stockholders of record as at April 19, 2018, paid on May 16, 2018	**–**	–	44,935,993
	₱73,247,776	₱59,273,812	₱179,743,956

On April 8, 2021, the BOD declared ₱0.06 per common share cash dividend for a total amount of ₱62,655,792 from the Company's unrestricted retained earnings as of December 31, 2020 to all stockholders of record as of May 07, 2021 and payable on or before May 31, 2021.

Treasury Stock

As at December 31, 2020 and 2019, there are 272 treasury shares amounting to ₱209. The retained earnings is restricted for dividend declaration to the extent of the amount of treasury shares.

Capital Management

The primary objective of the Parent Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business operations and maximize shareholder's value. The Parent Company considers its equity as Capital.

In line with the foregoing objective, the Parent Company monitors its return on invested capital using a ratio of the combined income before income tax plus interest and bank charges over the combined total of equity. The following table shows how the Parent Company computes for its return on invested capital:

	2020	2019
Income (loss) before income tax	**(₱254,075)**	(₱15,973,740)
Total equity	**₱5,321,870,282**	₱5,396,102,231
	(0.005%)	(0.30%)

The Parent Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Parent Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2020 and 2019. As at December 31, 2020 and 2019, the Parent Company is not subject to externally imposed capital requirements.

13. **Costs and Expenses**

This account consists of:

	2020	2019	2018
Professional fees (Note 16)	**₱26,411,083**	₱24,204,597	₱19,936,837
Taxes and licenses	**5,042,195**	988,301	27,898
Salaries and wages	**2,841,879**	1,810,779	–
Membership fees and dues	**2,264,063**	–	–
Rent expense (Note 19)	**947,268**	848,091	554,166
Stock listing fees	**731,072**	845,806	985,614
Depreciation and amortization (Notes 9 and 10)	**571,566**	389,612	–
Seminars and trainings	**401,429**	7,197,716	4,495
Stock transfer expenses	**346,949**	703,979	688,863
Stockholders' meeting expenses	**227,575**	691,314	1,096,087
Utilities	**243,700**	276,794	337,829
Transportation	**165,998**	161,623	88,87
Office supplies	**37,444**	157,096	9,308
Provision for impairment loss (Note 8)	–	14,957,189	–
SEC filing fee on merger (Note 8)	–	7,523,429	–
Others	**1,409,633**	609,236	131,643
	₱41,641,854	₱61,365,562	₱23,861,611

14. **Income Tax**

The provision for income tax in 2020 and 2019 represents MCIT.

The reconciliation of income tax at the statutory tax rate to the provision for income tax as shown in the Parent Company's statements of comprehensive income follows:

	2020	2019	2018
Income tax at 30% statutory tax rate	**(₱76,223)**	(₱4,792,122)	₱43,862,369
Add (deduct) reconciling items:			
Interest income subjected to final tax	**(1,464,749)**	(5,008,477)	(2,155,878)
Nondeductible expenses	**1,488,301**	–	–
Movement in unrecognized deferred income tax assets	**782,769**	5,887,381	7,158,483
Provision for impairment loss (Note 8)	–	4,487,156	–
Dividend income (Note 8)	–	–	(48,864,974)
Provision for income tax	**₱730,098**	₱573,938	₱–

The Parent Company did not recognize deferred income tax assets arising from NOLCO and MCIT as at December 31, 2020 and 2019, respectively. Management believes that it is not probable that sufficient taxable income will be available in the foreseeable future against which the tax benefits can be realized prior to expiration.

As at December 31, 2020, and 2019, the details of the NOLCO and MCIT, which are available for offset against future taxable income and tax payable follow:

	NOLCO		MCIT	
	2020	2019	**2020**	2019
Beginning balance	**₱48,859,900**	₱38,445,964	**₱573,938**	₱12,996
Additions	**175,568**	16,543,456	**730,098**	573,938
Expiration	**(8,454,833)**	(6,129,520)	–	(12,996)
Ending balance	**₱40,580,635**	₱48,859,900	**₱1,304,036**	₱573,938

		NOLCO		MCIT	
Year Incurred	Expiration Date	**2020**	2019	**2020**	2019
2017	2020	**₱–**	₱8,454,833	**₱–**	₱–
2018	2021	**23,861,611**	23,861,611	–	–
2019	2022	**16,543,456**	₱16,543,456	**573,93**	573,938
2020	2025	**175,568**	–	**730,098**	–
		₱40,580,635	₱48,859,900	**₱1,304,036**	₱573,938

The following table presents information necessary to calculate earnings per share:

	2020	2019	2018
Net income (loss) (a)	**(₱984,173)**	(₱16,547,678)	₱146,207,897
Weighted average number of outstanding shares - net of treasury shares (b)	**1,044,262,925**	945,819,600	748,932,949
Earnings per share (a/b)	**(₱0.0009)**	(₱0.0175)	₱0.1952

There are no dilutive potential shares that would require disclosure of diluted earnings per share in the Parent Company's financial statements.

15. Related Party Transactions

Related party relationships exist when the entity has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the entity in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

The Parent Company has entered into various transactions with related parties in the normal course of business.

The following tables summarize the transactions and outstanding balances with related parties as at December 31, 2020 and 2019:

	2020		
	Amount/ Volume	**Outstanding Balance**	**Terms and Conditions**
Parent Company (HI)			
a) Payable to Parent Company	**₱–**	**₱2,886,301**	**1-year, noninterest-bearing; unsecured**
Professional fees	**12,191,632**	**–**	**– –**
Subsidiaries			
b) Receivables from related parties	**–**	**5,626,171**	**Due on demand, noninterest-bearing; unsecured; no impairment**
Service fee income	**36,488,196**	**–**	**–**
c) Rent expense	**947,268**	**–**	
Entities under common control			
d) Cash and cash equivalents	**–**	**230,933,676**	**Interest at prevailing deposit and short-term investment rates; unsecured; no impairment**
Investment in corporate bond	**–**	**35,000,000**	**2-year, interest-bearing**
Interest receivable	**–**	**157,000**	**Interest at prevailing deposit and short-term investment rates; unsecured; no impairment**
Interest income	**4,882,497**	**–**	
e) Stockholders meeting expense	**220,000**	**–**	
Professional fees	**686,881**	**–**	
Entity with significant influence			
f) Payable to related parties	**–**	**10,214,100**	**1-year, noninterest-bearing; unsecured**
Professional fees	**10,530,000**	**–**	

	2019		
	Amount/ Volume	Outstanding Balance	Terms and Conditions
Parent Company (HI)			
Dividends payable	₱37,008,091	₱–	1-year, noninterest-bearing; unsecured
a) Payable to Parent Company		2,177,985	1-year, noninterest-bearing; unsecured
Professional fees	10,586,500	–	– –
Subsidiaries			
b) Receivables from related parties	12,343,894	13,448,305	Due on demand, noninterest-bearing; unsecured; no impairment
Service fee income	28,696,897	–	–
Entities under common control			
d) Cash and cash equivalents	–	329,672,148	Interest at prevailing deposit and short-term investment rates; unsecured; no impairment
Investment in corporate bond	35,000,000	35,000,000	2-year, interest-bearing
Interest receivable	–	905,813	Interest at prevailing deposit and short-term investment rates; unsecured; no impairment
Interest income	16,681,407	–	
Entity with significant influence			
f) Professional fees	8,866,667	–	

Significant accounts and transactions with related parties include the following:

a) *Payable to Parent Company*
Payables to Parent Company mainly pertains to management and other fees charged by HI for the administration of the Parent Company's operations (Note 13).

b) *Receivables from related parties*
Receivable from related party mainly pertains to services provided by the Parent Company to its subsidiaries which started in 2019.

c) *Rent expense*
Payable to subsidiary pertains to rental of office space (Note 19).

d) *Cash and cash equivalents and investment in corporate bond*
The Parent Company maintains cash in banks and short-term investments with its affiliate bank. Interest receivable arises from accrual of interest income from the short-term investments (Note 6).

In 2019, the Parent Company purchased a two-year investment in corporate bond for ₱35.00 million with interest rate of 6.15% per annum. The investment will mature in June 2021.

e) *Stockholders' meeting expense*
Pertains to the printing of notices of Annual Stockholder's Meeting through newspaper and online platforms rendered by a related party.

f) *Payable to related parties*
Payable to related parties mainly pertains to management fees charged by AC for the administration of the Parent Company's operations (Note 13).

Compensation of key management personnel of the Parent Company
In 2020 and 2019, compensation of its key management personnel amounted to ₱2.84 million and ₱1.81 million, respectively.

Terms and conditions of transaction with related parties
For the years ended December 31, 2020 and 2019, the Parent Company has not recorded any impairment losses on receivables relating to amounts owed by related parties. This assessment is undertaken each year through examining the financial position of the related party and the market in which the related party operates.

16. Note on Parent Company Statement of Cash Flows

Changes in the Parent Company's liabilities arising from financing activities as at December 31, 2020 and 2019 follow:

December 31, 2020

		Non-cash Change		
	2019	**Declaration of Cash Dividend**	**Cash Flows**	**2020**
Dividends payable	**₱21,734,469**	**₱73,247,776**	**(₱69,029,770)**	**₱25,952,475**
Payables to related parties	**2,177,985**	**–**	**10,922,416**	**13,100,401**
	₱23,912,454	**₱73,247,776**	**(₱58,107,354)**	**₱39,052,876**

December 31, 2019

		Non-cash Change		
	2018	Declaration of Cash Dividend	Cash Flows	2019
Dividends payable	₱69,219,054	₱59,273,812	(₱106,758,397)	₱21,734,469
Payables to related parties	419,202	–	1,758,783	2,177,985
	₱69,638,256	₱59,273,812	(₱104,999,614)	₱23,912,454

Dividends payable is presented as part of Accounts payable in Note 11.

17. Financial Instruments

Fair Value of Financial Instruments
The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

- *Cash in banks and cash equivalents, receivables, receivables from related parties, accounts payable and other liabilities, and payables to related parties* - carrying amounts approximate fair values due to the short-term nature of these accounts.

- *Investment in corporate bond at amortized cost* - carrying amount approximates fair value using the EIR method because future payments are discounted based on interest at market rate.

- *Equity instruments at FVOCI* - fair values were determined using quoted market prices at financial reporting date. The investments are included within the level 1 of the hierarchy. The movement in the fair value and gain are as follow:

	2019
As at January 1	₱14,389,673
Changes in fair value	3,092,253
Disposal	(17,481,926)
As at December 31	₱–

The remaining unrealized loss on equity instruments at FVOCI amounting to ₱0.88 million was closed to retained earnings in 2020.

The Parent Company uses the following hierarchy in determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

There were no transfers between levels within the year.

Financial Risk Management Objectives and Policies
The Parent Company's principal financial instruments comprise of cash in banks and cash equivalents, receivables, receivables from related parties, investment in corporate bond, accounts payable and other current liabilities, and payables to related parties. The main purpose of these financial instruments is to raise finances for the Parent Company's operations.

The main risks arising from the Parent Company's financial instruments are credit risk and liquidity risk. The BOD reviews and approves the policies for managing these risks. The Audit Committee and the Risk Management Committee of the Board meets regularly and exercises an oversight role in managing risks.

The Parent Company's risk management policies are summarized as follows:

a. *Credit risk and concentration of credit risk*

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Parent Company's exposure to credit risk on its receivables relates primarily to the inability of the subsidiaries to pay and fully settle the unpaid balance of dividends owed to the Parent Company.

The Parent Company manages its credit risk in accordance with its credit risk policies which requires the evaluation of the subsidiaries. The Parent Company's exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

There are significant concentrations of credit risk for receivables from dividends and related parties. With respect to credit risk arising from cash in bank and cash equivalents, receivables, receivables from related parties, investment in corporate bond, and listed equity instruments, the Parent Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

As at December 31, 2020 and 2019, the Parent Company's cash in banks and cash equivalents, receivables, receivables from related parties, and investment in corporate bond are considered to have low credit risk.

Cash in banks and cash equivalents are composed of bank deposits and money market placements made with reputable financial institutions duly approved by the BOD. Dividends receivable and receivables from related parties are from Parent Company's profitable subsidiaries with good payment record with the Parent Company.

The Parent Company's debt instruments at amortized cost comprise of cash and cash equivalents, receivables, receivables from related parties, and investment in corporate bond that are considered to have low credit risk. Hence, it is the Parent Company's policy to measure ECL on such instruments on a 12-month basis applying the low credit risk simplification. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Parent Company uses external credit ratings both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

The Parent Company may consider a financial asset to be in default when internal or external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b. *Liquidity risk*

Liquidity risk is the risk that the Parent Company will not be able to meet its obligations as they fall due.

The Parent Company seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and service maturing debts. Short-term funding is obtained to finance cash requirements for operations. Credit lines are obtained from BOD-designated banks at amounts based on financial forecasts approved by BOD.

The tables below summarize the maturity profile of the Parent Company's financial assets as at December 31, 2020 and 2019. The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date.

	2020			
	On demand	**Within 1 year**	**More than 1 year**	**Total**
Financial assets at amortized cost:				
Cash in bank and cash equivalents	**₱233,713,486**	**₱–**	**₱–**	**₱233,713,486**
Receivables	**–**	**436,261**	**–**	**436,261**
Receivable from related parties	**1,104,410**	**4,521,761**	**–**	**5,626,171**
Investment in corporate bond	**–**	**35,000,000**	**–**	**35,000,000**
	₱234,817,896	**₱39,958,022**	**₱–**	**₱274,775,918**

	2019			
	On demand	Within 1 year	More than 1 year	Total
Financial assets at amortized cost:				
Cash in bank and cash equivalents	₱332,451,353	₱–	₱–	₱332,451,353
Receivables	–	1,262,661	–	1,262,661
Receivable from related parties	1,104,410	12,343,895	–	13,448,305
Investment in corporate bond	–	–	35,000,000	35,000,000
	₱333,555,763	₱13,606,556	₱35,000,000	₱382,162,319

The tables below summarize the maturity profile of the Parent Company's financial liabilities as at December 31, 2020 and 2019 based on contractual undiscounted payments.

	2020			
	On demand	**Less than 3 months**	**3 to 12 months**	**Total**
Accounts payable and accrued expenses*	**₱25,952,475**	**₱60,676,496**	**₱2,918,142**	**₱89,547,113**
Payable to related parties	**13,100,401**	**–**	**–**	**13,100,401**
	₱39,052,876	**₱60,676,496**	**₱2,918,142**	**₱102,647,514**

**excludes payables to government amounting ₱2,851,382*

	2019			
	On demand	Less than 3 months	3 to 12 months	Total
Accounts payable and accrued expenses*	₱21,734,468	₱103,535,895	₱1,522,826	₱126,793,189
Payable to related party	2,177,985	–	–	2,177,985
	₱23,912,453	₱103,535,895	₱1,522,826	₱128,971,174

**excludes payables to government amounting ₱3,138,512*

18. Commitments and Contingencies

Operating lease - Parent Company as a lessee

The Parent Company has lease agreements for office space with lease terms ranging from six months to one year, renewable upon mutual agreement. Rent expense amounted to ₱0.95 million and ₱0.85 million in 2020 and 2019, respectively (Note 13). With the adoption of PFRS 16 in 2019, the Parent Company availed of the short-term lease exception and continue to record rent expense on these agreements.

Contingencies

The Parent Company has no contingent liabilities arising in the ordinary conduct of business which are either pending decision by the courts or being contested, the outcome of which are not presently determinable. No provision for probable losses arising from legal contingencies was recognized in the Parent Company's financial statements in 2020 and 2019.

19. Other Matters

- President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Parent Company:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.

- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

- Imposition of improperly accumulated earnings tax (IAET) is repealed.

As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. The passage of the CREATE Act into law on March 26, 2011 is considered as a non-adjusting subsequent event. Accordingly, current and deferred taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of December 31, 2020 (i.e., 30% RCIT / 2% MCIT) for financial reporting purposes.

Applying the provisions of the CREATE Act, the Parent Company would have been subjected to lower regular corporate income tax rate of 25% or MCIT of 1% effective July 1, 2020.

Based on the provisions of Revenue Regulations (RR) No. 5-2021 dated April 8, 2021 issued by the BIR, the prorated MCIT rate of the Company for CY2020 is 1.5%. This will result in reduction of ₱0.18 million in current income tax and increase in prepaid tax by same amount. The reduced amounts will be reflected in the Company's 2020 annual income tax return. However, for financial reporting purposes, the changes will only be recognized in the 2021 financial statements. As to deferred tax, the Company assessed that it has no impact.

- In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine throughout the island of Luzon and other parts of the country and the community quarantine continues for selected areas in 2021.

  The Company recognized the health and business risks posed by the virus to the general public and the need to join the collective effort in mitigating the spread of COVID-19. In the face of this global crisis, the Company remains collected and vigilant as it operates and maintains mitigation efforts to help safeguard the health and safety of its employees and students. Considering the evolving nature of this outbreak, the Company is continuously assessing at this time the impact to its financial position, performance and cash flows. The Company has taken measures to manage the risks and uncertainties brought about by the outbreak and will continue to monitor the situation

20. **Approval of Parent Company Financial Statements**

The accompanying separate financial statements of the Parent Company were approved and authorized for issuance by the BOD on April 8, 2021.

SGV
Building a better working world

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BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
iPeople, inc.
3rd Floor, Grepalife Building
219 Sen. Gil J. Puyat Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the parent company financial statements of iPeople, inc. (the Parent Company) as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020, included in this Form 17-A and have issued our report thereon dated April 8, 2021. Our audits were made for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The schedules listed in the Index to the Parent Company Financial Statements and Supplementary Schedules are the responsibility of the Parent Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic parent company financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic parent company financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic parent company financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Ana Lea C. Bergado

Ana Lea C. Bergado
Partner
CPA Certificate No. 80470
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October 22, 2019, valid until October 21, 2022
Tax Identification No. 102-082-670
BIR Accreditation No. 08-001998-063-2020,
November 27, 2020, valid until November 26, 2023
PTR No. 8534225, January 4, 2021, Makati City

April 8, 2021

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
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Tel: (632) 8891 0307
Fax: (632) 8819 0872
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BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
iPeople, inc.
3rd Floor, Grepalife Building
219 Sen. Gil J. Puyat Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the parent company financial statements of iPeople, inc. (the Parent Company) as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020, and have issued our report thereon dated April 8, 2021. Our audits were made for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Parent Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Parent Company's financial statements as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Ana Lea C. Bergado

Ana Lea C. Bergado
Partner
CPA Certificate No. 80470
SEC Accreditation No. 0660-AR-4 (Group A),
October 22, 2019, valid until October 21, 2022
Tax Identification No. 102-082-670
BIR Accreditation No. 08-001998-063-2020,
November 27, 2020, valid until November 26, 2023
PTR No. 8534225, January 4, 2021, Makati City

April 8, 2021

iPeople, inc.

INDEX TO PARENT COMPANY FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

SUPPLEMENTARY SCHEDULES

SCHEDULE I

iPeople, inc.

ANNEX 68-D: RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2020

Items		Amount
Unappropriated retained earnings, *as adjusted to available for distribution, beginning*		**₱1,057,752,357**
Add: Net income actually earned/realized during the period		
Net income (loss) during the period closed to retained earnings	**(₱984,173)**	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	–	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	–	
Unrealized actuarial gain	–	
Fair value adjustment (M2M gains)	–	
Fair value adjustment of Investment Property resulting to gain	–	
Adjustment due to deviation from PFRS/GAAP-gain	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–	
Sub-total	–	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	–	
Adjustments due to deviation from PFRS/GAAP - loss	–	
Loss on fair value adjustment of investment property (after tax)	–	
Sub-total	–	
Net income actually realized during the period		**(984,173)**
Add (Less):		
Dividends declaration during the year	**(73,247,776)**	
Appropriations of retained earnings during the period	–	
Reversal of appropriations	–	
Effects of appropriations	–	
Effects of prior period adjustments	–	
Treasury shares	**(209)**	
Transfer to retained earnings of fair value reserve of equity instruments	**(880,318)**	
		(74,128,303)
Total Retained Earnings, End Available for Dividend		**₱982,639,881**

SCHEDULE II

iPeople, inc.

ANNEX 68-J: SCHEDULES
DECEMBER 31, 2020

Below are the additional information and schedules required by Revised Securities Regulation Code Rule 68. This information is presented for purposes of filing with the SEC and is not required parts of the basic financial statements.

Schedule A. Financial Assets in Equity Securities

As at December 31, 2020, the Parent Company has no financial assets in Equity Securities.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

Below is the schedule of receivables from related parties as at December 31, 2020:

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of year
Pan Pacific Computer Center, Inc.	₱1,104,410	₱–	₱–	₱1,104,410
Malayan Education System, Inc.	9,567,066	22,393,657	(29,356,234)	2,604,489
Malayan Colleges Laguna, Inc.	2,348,574	14,267,517	(15,201,872)	1,414,219
University of Nueva Caceres	428,254	4,139,145	(4,064,346)	503,053
National Teachers	–	59,341	(59,341)	–

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

This is not applicable to the Parent Company. Receivables eliminated during consolidation will be shown in the consolidated financial statements.

Schedule D. Long-Term Debt

As at December 31, 2020, the Parent Company has no long-term debt.

Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

As at December 31, 2020, the Parent Company has no long-term loans from related companies.

Schedule F. Guarantees of Securities of Other Issuers

As at December 31, 2020, the Parent Company does not guarantee any securities.

Schedule G. Capital Stock

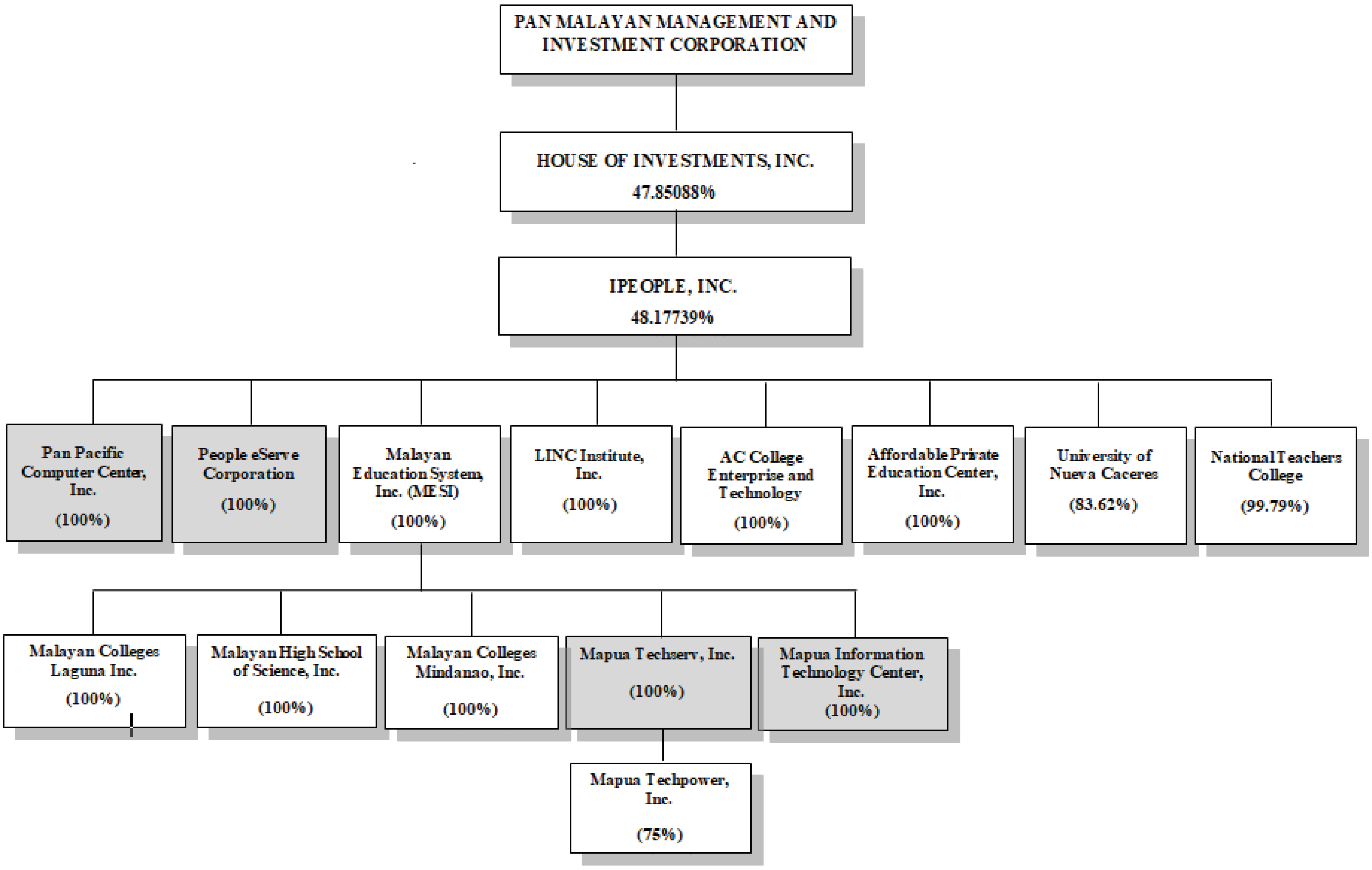
Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	2,000,000,000	1,044,262,925	-	885,453,681	168,775	158,640,469

SCHEDULE III

iPeople, inc.

GROUP STRUCTURE
DECEMBER 31, 2020

Group Structure
Below is a map showing the relationship between and among the Group and its ultimate parent company and subsidiaries as at December 31, 2020:



iPeople, inc.

ANNEX 68-E: SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2020 AND 2019

Below are the financial ratios that are relevant to the Parent Company for the years ended December 31:

Financial ratios		**2020**	2019
Current ratio *Indicates the Company's ability to pay short-term obligation*	Current Assets / Current Liabilities	**2.62:1**	2.63:1
Acid test ratio *Indicates the Company's ability to use its quick or near cash assets to pay current liabilities immediately*	Current Assets / Current Liabilities	**2.62:1**	2.63:1
Solvency Ratio *Shows how likely a company will be to continue meeting its debt obligations*	Net Income+Noncash Expenses / Total Liabilities	**(0.01):1**	(0.01):1
Debt-to-equity ratio *Measures the Company's leverage*	Total Debt / Equity	**0.02:1**	0.02:1
Asset to Equity Ratio *Shows how the company's leverage (debt) was used to finance the firm*	Total Assets / Equity	**1.02:1**	1.02:1
Interest Rate Coverage *Shows how easily a company can pay interest on outstanding debt*	EBIT* / Interest Expense	**n/a**	n/a
Return on Average Stockholders' Equity *Reflects how much the Company has earned on the funds invested by the stockholders*	Net Income / Average Equity	**(0.02%)**	(0.45%)
Net profit margin *Reflect how much net income or profit is generated as percentage of revenue*	Net Profit Margin / Revenue	**(2.38%)**	(36.46%)
Return on Assets *Measure the ability to utilize the Company's assets to create profits*	Net Income / Total Assets	**(0.02%)**	(0.30%)

**Earnings before interest and taxes (EBIT)*

Gmail

Ma. Cristina Alejandria <ipeopleinc2020june@gmail.com>

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Company Type: Stock Corporation

Document Information

Document ID: OST105102021804861
Document Type: AFS
Document Code: AFS
Period Covered: December 31, 2020
Submission Type: None
Remarks: None

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